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6
7 **UNITED STATES DISTRICT COURT**

8 **DISTRICT OF NEVADA**

9
10 CIRCUS CIRCUS LV, LP,

CASE NO.

11 *Plaintiff,*

12 v.

13 AIG Specialty Insurance Company,

14 *Defendant.*

15 **COMPLAINT**

16 Plaintiff, Circus Circus, LV, LP (“Circus Circus”), files this Complaint for damages and
17 declaratory judgment against Defendant, AIG Specialty Insurance Company (“AIG”), alleging the
18 following:
19

20 **I. INTRODUCTION**

21 1. This diversity action for breach of contract and declaratory judgment arises out of
22 Circus Circus’s claim of insurance coverage under an “all risks” insurance policy sold by AIG to
23 Circus Circus.

24 2. Despite agreeing to cover Circus Circus for all risks of physical loss or damage property
25 resulting from perils not specifically excluded, and Circus Circus’s resulting loss of business income
26 and extra expense, AIG refuses to stand by the insurance policy that it wrote and sold and honor its
27 contractual undertakings. Instead, AIG relies on sleight-of-hand, distortions of fact and contortions of
28

1 law to escape from Circus Circus's covered claim. But no illusion or death-defying feat can alter the
2 plain language of AIG's policy and the broad all risks coverage that it provides.

3 II. THE PARTIES

4 3. Plaintiff Circus Circus LV, LP is a limited partnership organized under the laws of the
5 State of Nevada, with its principal place of business at 2880 Las Vegas Boulevard South, Las Vegas,
6 NV 89109.

7 4. Defendant AIG Specialty Insurance Company is an Illinois insurance company, with
8 its principal place of business located in the State of New York.

9 5. AIG is authorized to do business and issue insurance policies in the State of Nevada.

10 III. JURISDICTION & VENUE

11 6. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1332, as the parties
12 are completely diverse in citizenship and the amount in controversy exceeds \$75,000, exclusive of
13 interests and costs.

14 7. Venue is proper in this District under 28 U.S.C. § 1391 because Circus Circus's
15 principal place of business is in this District and a substantial portion of the events and omissions
16 giving rise to the claims and losses that occurred within the District.

17 IV. FACTUAL BACKGROUND

18 8. Circus Circus is a sprawling 2.8 million square foot casino complex situated on over
19 70 acres of land with a physical address of 2880 Las Vegas Boulevard South, Las Vegas, Nevada. It
20 has over 1,100 gaming attractions, nearly 3,800 rooms, and employs more than 2,200 individuals. The
21 number of guests that Circus Circus welcomes onto its property is staggering—over 5,800 people per
22 day.

23 9. AIG is an insurance company that sold an "all risks" insurance policy to Circus Circus
24 providing coverage to Circus Circus against "all risks of direct physical loss or damage to Insured
25 Property [i.e., the entire casino complex] from a **Covered Cause of Loss.**"¹ (See Policy No.
26 018257119, attached as Exhibit A, at CCPOLICY_0018 (the "Policy").)

28 ¹ Terms defined in the Policy are signified by the use of **bold** typeface. Unless otherwise stated, the use of **bold** typeface signifies the use of same in the Policy.

10. As used in the Policy’s insuring agreement, the term “physical loss” is separate, distinct and has an independent meaning from the term “damage.”

11. In the Policy, the term “**Covered Cause of Loss**” is defined as “peril or other type of loss, not otherwise excluded under this policy.” Exhibit A, at CCPOLICY_0042.

12. The term “peril” is not defined in the Policy.

13. The phrase “other type of loss” is not defined in the Policy.

14. The Policy also covers Circus Circus’s business interruption losses that result from a **Covered Cause of Loss** (i.e., a “peril or other type of loss”). Exhibit A, at CCPOLICY_0025.

15. The Policy provides up to \$500 million in coverage for physical loss or damage of property and up to \$96,774,307 in coverage for loss of business income. Exhibit A, at CCPOLICY_0001, CCPOLICY_0061.

16. The Policy has an effective term of December 20, 2019 through December 20, 2020.

17. In exchange for AIG’s agreement to take on Circus Circus’s risk of loss, AIG charged Circus Circus a \$1.6 million premium.

18. Circus Circus has satisfied all conditions precedent to coverage under the Policy including the payment of all premiums.

A. COVID-19 is a Deadly Communicable Disease

19. COVID-19 is a deadly communicable disease that has already infected over 2.6 million people in the United States and caused more than 127,000 deaths.²

20. The CDC estimates that infection rates for COVID-19 are likely at least ten times higher than reported.³

21. There is no publicly available vaccine for COVID-19.

22. The World Health Organization (“WHO”) has declared the COVID-19 outbreak a pandemic, and President Trump has declared a nationwide emergency due to the public health emergency caused by the COVID-19 outbreak in the United States.

² See <https://www.cdc.gov/coronavirus/2019-ncov/cases-updates/cases-in-us.html> (last viewed July 1, 2020).

³ See <https://www.nbcnews.com/health/health-news/cdc-says-covid-19-cases-u-s-may-be-10-n1232134> (last viewed July 1, 2020).

23. The incubation period for COVID-19—the time between exposure and symptom onset—can be up to 14 days.⁴

24. During this pre-symptomatic period, infected persons can be contagious and disease transmission can occur before the infected person shows any symptoms or has any reason to believe they are infected.⁵

25. Not only is COVID-19 spread by human-to-human transfer, but the WHO has confirmed that COVID-19 can exist on contaminated objects or surfaces.⁶

26. According to a study documented in *The New England Journal of Medicine*, COVID-19 was detectable in aerosols for up to three hours, up to four hours on copper, up to 24 hours on cardboard, and up to three days on plastic and stainless steel.⁷

27. All of these materials are used by Circus Circus throughout its facilities and operations.

28. The study's results suggest that individuals could become infected with COVID-19 through indirect contact with surfaces or objects used by an infected person, whether they were symptomatic or not.⁸

B. Orders Because of COVID-19, Physical Loss of Property, and Physical Damage to Property

29. In an effort to slow the spread of COVID-19 and as a direct result of a **Covered Cause of Loss** to property located within 1 mile of Circus Circus, federal, state and local governments imposed unprecedented directives, referred to as “Stay at Home Orders,” prohibiting travel into the

⁴ See https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200402-sitrep-73-covid-19.pdf?sfvrsn=5ae25bc7_2 (last viewed July 1, 2020).

⁵ See https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200402-sitrep-73-covid-19.pdf?sfvrsn=5ae25bc7_2 (“In a small number of case reports and studies, pre-symptomatic transmission has been documented through contact tracing efforts and enhanced investigation of clusters of confirmed cases. This is supported by data suggesting that some people can test positive for COVID-19 from 1-3 days before they develop symptoms. Thus, it is possible that people infected with COVID-19 could transmit the virus before significant symptoms develop.”) (last viewed July 1, 2020).

⁶ See <https://www.who.int/news-room/commentaries/detail/modes-of-transmission-of-virus-causing-covid-19-implications-for-ipc-precaution-recommendations> (“[T]ransmission of the COVID-19 virus can occur by direct contact with infected people and indirect contact with surfaces in the immediate environment or with objects used on the infected person”) (last viewed July 1, 2020).

⁷ See <https://www.nih.gov/news-events/news-releases/new-coronavirus-stable-hours-surfaces> (last viewed July 1, 2020); see also <https://www.who.int/news-room/commentaries/detail/modes-of-transmission-of-virus-causing-covid-19-implications-for-ipc-precaution-recommendations> (last viewed July 1, 2020).

⁸ *Id.*

1 United States, requiring certain businesses to close and requiring residents to remain in their homes
2 unless performing “essential” activities.

3 30. The Stay at Home Orders required businesses deemed “non-essential” to be closed. In-
4 person work was not permitted.

5 31. The Stay at Home Orders also severely affected businesses classified as “essential.”

6 32. The Stay at Home Orders have caused and are continuing to cause a total or partial
7 prohibition of access to Circus Circus.

8 33. The Stay at Home Orders have caused and are continuing to cause the necessary partial
9 or total interruption of Circus Circus’s business operations.

10 34. Although some have recently been relaxed, Stay at Home Orders remain in effect as of
11 the date of filing and have caused and continue to cause a total or partial prohibition of access to Circus
12 Circus and the necessary partial or total interruption of Circus Circus’s business operations.

13 35. As a business that relies on materials and customers from right next door to across the
14 country to around the world, Circus Circus is subject to these various Stay at Home Orders.

15 36. The physical loss and damage caused by COVID-19 and the threat of further physical
16 loss or damage caused by COVID-19 has had a devastating effect on Circus Circus’s business.

17 37. Likewise, the Stay at Home Orders and the physical loss of Insured Property caused by
18 those Orders has had a devastating effect on Circus Circus’s business.

19 38. On March 12, 2020, Nevada Governor Steve Sisolak declared a state of emergency in
20 the state of Nevada citing the presence of COVID-19 and its impact on lives and property. (See NV
21 Exec. Decl. of Emergency, dated March 12, 2020,
22 [http://gov.nv.gov/News/Emergency_Orders/2020/2020-03-12_-_COVID-](http://gov.nv.gov/News/Emergency_Orders/2020/2020-03-12_-_COVID-19_Declaration_of_Emergency/)
23 [19_Declaration_of_Emergency/](http://gov.nv.gov/News/Emergency_Orders/2020/2020-03-12_-_COVID-19_Declaration_of_Emergency/), attached as Exhibit B).

24 39. Five days later, pursuant to his March 12, 2020, Declaration, Governor Sisolak further
25 ordered all gaming activities in the state to close at midnight on March 17, 2020. (See NV Exec.
26 Emergency Order, dated March 17, 2020, [http://gov.nv.gov/uploadedFiles/govnewnv.gov/](http://gov.nv.gov/uploadedFiles/govnewnv.gov/Content/News/Emergency_Orders/2020_attachments/2020-03-17-NV-Health-Reponse-COVID19-Risk-Management-Initiative-2.pdf)
27 [Content/News/Emergency_Orders/2020_attachments/2020-03-17-NV-Health-Reponse-COVID19-](http://gov.nv.gov/uploadedFiles/govnewnv.gov/Content/News/Emergency_Orders/2020_attachments/2020-03-17-NV-Health-Reponse-COVID19-Risk-Management-Initiative-2.pdf)
28 [Risk-Management-Initiative-2.pdf](http://gov.nv.gov/uploadedFiles/govnewnv.gov/Content/News/Emergency_Orders/2020_attachments/2020-03-17-NV-Health-Reponse-COVID19-Risk-Management-Initiative-2.pdf), attached as Exhibit C).

40. As a direct result of COVID-19 and these Orders, Circus Circus closed its doors at 12:01 AM on March 18, 2020.

41. Persons infected with COVID-19 were present at Circus Circus prior to March 18, 2020.

42. In fact, during the period January 1, 2020, to March 18, 2020, Circus Circus employees recorded more than 1,600 sick days. During that same period, Circus Circus had more than 337,000 registered guests from all over the world.

43. On March 20, 2020, Governor Sisolak, again noting the need to protect property and persons, ordered all non-essential businesses to close and restricted the activities of essential businesses. (See NV Exec. Emergency Decl., Directive No. 3, dated March 20, 2020, [http://gov.nv.gov/News/Emergency_Orders/2020/2020-03-20_-_COVID-19_Declaration_of_Emergency_Directive_003_\(Attachments\)/; and related regulations, http://gov.nv.gov/uploadedFiles/govnewnv.gov/Content/News/Emergency_Orders/2020_attachments/2020-03-20_COVID-19_DPS_DEM_EmergencyRegulations.pdf](http://gov.nv.gov/News/Emergency_Orders/2020/2020-03-20_-_COVID-19_Declaration_of_Emergency_Directive_003_(Attachments)/;_and_related_regulations,http://gov.nv.gov/uploadedFiles/govnewnv.gov/Content/News/Emergency_Orders/2020_attachments/2020-03-20_COVID-19_DPS_DEM_EmergencyRegulations.pdf), attached as Exhibit D).

44. On April 29, 2020, Governor Sisolak issued a Directive explaining, among other things, the basis for the closure and Stay at Home Orders stating specifically that the ability of COVID-19 “to survive on surfaces for indeterminate periods of time renders some property unusable and contributes to contamination, damage, and property loss” (See NV Exec. Emergency Decl. Directive No. 16, dated April 29, 2020, [http://gov.nv.gov/News/Emergency_Orders/2020/2020-04-29_-_COVID-19_Declaration_of_Emergency_Directive_016_\(Attachments\)/](http://gov.nv.gov/News/Emergency_Orders/2020/2020-04-29_-_COVID-19_Declaration_of_Emergency_Directive_016_(Attachments)/), attached as Exhibit E).

C. Circus Circus Notifies AIG of a Covered Claim

45. On March 20, 2020, Circus Circus notified AIG that it had experienced, and was continuing to experience, a covered loss as a consequence of the physical loss and damage caused by COVID-19 and the resulting Stay at Home Orders and other civil authority orders.

46. On June 19, 2020, AIG sent Circus Circus a written denial of its claim setting forth the reasons that AIG is refusing to pay the claim.

D. The “All Risks” Coverage Is Triggered

47. The “All Risks” Coverage AIG sold to Circus Circus provides that “[s]ubject to all of the terms and conditions of this **Policy**, [AIG] insures [Circus Circus] against all risks of direct physical loss or damage to Insured Property from a **Covered Cause of Loss**.” Exhibit A, at CCPOLICY_0018.

48. The Policy defines **Covered Cause of Loss** as “a peril or other type of loss, not otherwise excluded under this **Policy**.” Exhibit A, at CCPOLICY_0042.

49. COVID-19, a highly contagious disease for which there is no known vaccine, is a peril not excluded under the **Policy**.

50. COVID-19, therefore, is a **Covered Cause of Loss**.

51. The Stay at Home Orders are a peril or other type of loss not excluded under the **Policy**.

52. The Stay at Home Orders, therefore, are **Covered Causes of Loss**.

53. Circus Circus experienced “direct physical loss” of its property from one or more **Covered Causes of Loss** commencing at midnight on March 17, 2020, and continuing to the present.

54. Circus Circus also experienced direct “physical damage” to its property because of COVID-19. COVID-19 causes physical damage to property because it contaminates objects and surfaces as described above.

55. Circus Circus, therefore, experienced direct “physical damage” to its property from a **Covered Cause of Loss** commencing on or about March 17, 2020, and continuing to the present.

E. The Policy’s Business Interruption Coverage (a.k.a. Time Element Coverage)

56. AIG Policy also covers the “actual loss of income sustained by the Insured during the necessary partial or total interruption of the Insured’s business operations ... directly resulting from a Covered Cause of Loss” Exhibit A, at CCPOLICY_0025.

57. The Policy states that, “[i]n the event the Insured is prevented ... from continuing its business operations or services and is unable ... [t]o continue business operations or services ... then [AIG] shall be liable ... for the actual loss of income sustained during the Period of Interruption.” Exhibit A, at CCPOLICY_0025.

1 58. Circus Circus's business operations have been interrupted since March 18, 2020, as a
2 direct result of covered "peril or other type of loss."

3 59. The partial or total interruption of Circus Circus's business operations remains
4 ongoing.

5 60. Circus Circus has sustained and will continue to sustain loss of business income, incur
6 extra expense and sustain other insured losses as a result of the partial or total interruption of its
7 business.

8 **F. The Policy's "Additional" Coverages**

9 61. In addition, AIG's Policy provides certain other coverages that are implicated,
10 including, but not limited to, the following:

11 *i. Contingent Time Element coverage*

12 62. The AIG policy covers Contingent Time Element, which is defined as the "direct
13 physical loss or damage to property ... of a direct supplier or direct customer ... by a **Covered Cause**
14 **of Loss**, and such loss or damage [w]holly or partially prevents any direct supplier from supplying
15 their goods and/or services; or, wholly or partially prevents any direct customer from accepting the
16 Insured's goods and/or services." Exhibit A, at CCPOLICY_0027.

17 63. Circus Circus's direct suppliers and customers have experienced direct physical loss
18 and/or damage to their to their property from a covered "peril or other type of loss."

19 64. The direct physical loss or damage to property of Circus Circus's direct customers and
20 suppliers has prevented the suppliers from supplying their goods and services to Circus Circus and the
21 customers from accepting Circus Circus's goods and services.

22 65. Circus Circus has sustained and will continue to sustain loss of business income, incur
23 extra expense and sustain other insured losses resulting from Circus Circus's direct suppliers' and
24 customers' inability to supply their goods and services and accept Circus Circus's goods and services,
25 respectively.

26 66. These losses are covered under the Policy's Contingent Time Element coverage.
27
28

ii. Extra Expense coverage

67. The AIG Policy covers Extra Expense, which is defined as the extra costs “incurred to temporarily continue as nearly normal as practicable the conduct of the Insured’s business ... resulting from direct physical loss or damage by a **Covered Cause of Loss.**” Exhibit A, at CCPOLICY_0028.

68. Circus Circus has incurred extra cost to maintain its business as a result of the physical loss and/or physical damage from a covered “peril or other type of loss.”

69. These reasonable and necessary extra costs incurred by Circus Circus are covered under the Policy’s Extra Expense coverage.

iii. Ingress & Egress coverage

70. The AIG policy covers Ingress and Egress, which is defined by the Policy as “loss of income and Extra Expense ... when partial or total physical ingress to or egress from the Insured’s ... property is prohibited as a direct result of a Covered Cause of Loss to the property of others within [1 mile].” Exhibit A, at CCPOLICY_0028, CCPOLICY_0006.

71. Circus Circus lost business income and incurred extra cost because of restricted access to its property that is a direct result of a covered “peril or other type of loss” at properties and businesses within 1 mile.

72. This loss of business income and extra cost sustained by Circus Circus is covered under the Policy’s Ingress & Egress coverage.

iv. Civil Authority coverage

73. The AIG Policy covers the actual loss of income and extra expense sustained because of an Interruption by Civil or Military Authority, which is defined by the Policy as “loss of income and Extra Expense sustained during the period of time when an order of civil ... authority prohibits total or partial access to the Insured’s ... property, provided such orders are the direct result of a Covered Cause of Loss to the property of others and [within 1 mile].” CCPOLICY_0028, CCPOLICY_0006.

74. Circus Circus has lost business income and incurred extra cost because of government orders that prohibit access to the casino complex which are the direct result of a covered “peril or other type of loss” within 1 mile of the insured location.

Exhibit A, at CCPOLICY_0048.

84. Unlike **Pollutants or Contaminants**, as that term is defined in the Policy, as alleged, COVID-19 is a communicable disease for which there is no known vaccine.

85. The definition of **Pollutants or Contaminants** does not include communicable disease.

86. However, AIG certainly could have added an exclusion to the Policy for loss caused by or resulting from communicable disease.

87. AIG likewise could have added an exclusion to the Policy for loss caused by or resulting from pandemic.

88. Indeed, exclusions for both communicable disease and pandemic were in use in the insurance industry when AIG sold the Policy to Circus Circus.

H. Circus Circus's Claim

89. Having sustained loss covered under the Policy, Circus Circus submitted a claim to AIG. AIG has wrongfully failed to accept coverage for the claim.

90. AIG's failure to accept coverage for Circus Circus's claim is based on AIG's failure to faithfully apply its own Policy language.

91. AIG's wrongful denial of coverage has caused Circus Circus to suffer and continue to suffer significant damages.

COUNT I

Declaratory Judgment

92. Circus Circus repeats and realleges the allegations in the preceding paragraphs.

93. Circus Circus seeks a declaration of the parties' rights and duties under the Policy pursuant to 28 U.S.C. § 2201. A justiciable controversy exists between Circus Circus and AIG concerning the availability of coverage under the Policy for Circus Circus's claim.

94. The controversy between Circus Circus and AIG is ripe for judicial review.

95. Nevada has adopted the Uniform Declaratory Judgment Act for purposes of declaring parties' right in this precise circumstance.

96. Accordingly, Circus Circus seeks a declaration from the Court that:

- a. The various coverage provisions identified herein are triggered by Circus Circus's claim;
- b. No Policy exclusion applies to bar or limit coverage for Circus Circus's claim; and
- c. The Policy covers Circus Circus's claim.

COUNT II

Breach of Contract
(Property Loss and Damage)

97. Circus Circus repeats and realleges the allegations in the preceding paragraphs.

98. The Policy is a valid and enforceable contract between Circus Circus and AIG.

99. In the Policy, AIG agreed to cover property against all risks of physical loss or damage from a peril or other type of loss not otherwise excluded.

100. COVID-19 and the resulting governmental orders are a peril or other type of loss as that phrase is used in the Policy.

101. COVID-19 and the government orders have caused and are continuing to cause physical loss and/or damage to Circus Circus's property.

102. No exclusions apply to bar coverage.

103. Circus Circus is entitled to coverage for the losses it has sustained because of physical loss and/or damage up to the Policy's \$500 million limit of liability or any applicable sublimits.

104. Circus Circus complied with all applicable Policy provisions, including paying premiums and providing timely notice of its claim.

105. Nonetheless, AIG unjustifiably refuses to pay for Circus Circus's claim in breach the Policy.

106. Circus Circus has suffered and continues to suffer damages because of AIG's breach of the Policy.

107. Circus Circus is entitled to damages because of AIG's breach in an amount to be determined at trial, including pre- and post-judgment interest and any other costs and relief that this Court deems appropriate.

COUNT III

Breach of Contract
(Time Element Coverage)

108. Circus Circus repeats and realleges the allegations in the preceding paragraphs.

109. The Policy is a valid and enforceable contract between Circus Circus and AIG.

110. In the Policy, AIG agreed to cover Circus Circus's loss of income and extra expense sustained during the interruption of its business operations directly resulting from a peril or other type of loss not otherwise excluded, as provided in the Time Element Coverage section.

111. COVID-19 and the resulting governmental orders are a peril or other type of loss as that phrase is used in the Policy.

112. Circus Circus has sustained and will continue to sustain loss of income and extra expenses due to the necessary interruption of its business operations as a direct result of COVID-19 at its property and the government orders impacting its property.

113. As well, COVID-19 poses a serious or immediate danger to its property.

114. No exclusions apply to bar coverage.

115. Circus Circus is entitled to coverage for the loss of income and extra expenses sustained up to the Policy's \$96,774,307 limit of liability or any applicable sublimits.

116. Circus Circus complied with all applicable Policy provisions, including paying premiums and providing timely notice of its claim.

117. Nonetheless, AIG unjustifiably refuses to pay for these losses and expenses in breach the Policy.

118. Circus Circus has suffered and continues to suffer damages because of AIG's breach of the Policy.

119. Circus Circus is entitled to damages because of AIG's breach in an amount to be determined at trial, including pre- and post-judgment interest and any other costs and relief that this Court deems appropriate.

COUNT IV

Breach of Contract
(Additional Time Element Coverages)

120. Circus Circus repeats and realleges the allegations in the preceding paragraphs.

121. The Policy is a valid and enforceable contract between Circus Circus and AIG.

122. In the Policy, AIG agreed to afford coverage for the loss of income and extra expense sustained by Circus Circus as provided in the Policy's Additional Time Element Coverages section.

123. COVID-19 and the resulting governmental orders are a peril or other type of loss as that phrase is used in the Policy.

124. COVID-19 and the government orders have caused and, upon information and belief, are continuing to cause physical loss and/or damage to the property of others that has caused Circus Circus to sustain loss of income and extra expense that is covered under the Policy's Additional Time Element Coverages section.

125. No exclusions apply to bar coverage.

126. Circus Circus is entitled to coverage for the loss of income and extra expense sustained up to each applicable limit of liability or any applicable sublimits.

127. Circus Circus complied with all applicable Policy provisions, including paying premiums and providing timely notice of its claim.

128. Nonetheless, AIG unjustifiably refuses to pay for these losses and expenses in breach the Policy.

129. Circus Circus has suffered and continues to suffer damages because of AIG's breach of the Policy.

130. Circus Circus is entitled to damages because of AIG's breach in an amount to be determined at trial, including pre- and post-judgment interest and any other costs and relief that this Court deems appropriate.

PRAYER FOR RELIEF

Wherefore, Circus Circus prays for judgment against AIG as follows:

- 1) A declaration from the Court that:
 - a. The various coverage provisions identified herein are triggered by Circus Circus's claim;
 - b. No Policy exclusion applies to bar or limit coverage for Circus Circus's claim; and
 - c. The Policy covers Circus Circus's claim.
- 2) For special and consequential damages against AIG in an amount in to be proved at trial in excess of \$75,000.00;
- 3) Pre and Post-judgment interest as provided by law;
- 4) An award of attorney's fees and costs of suit incurred; and
- 5) For such other and further relief as the Court deems just and proper.

JURY TRIAL DEMANDED

Circus Circus demands trial by jury on all issues so triable.

Date: July 2, 2020

Respectfully submitted,
PLAINTIFF CIRCUS CIRCUS LV, LP
By and through its attorneys,

/s/ Renee M. Finch

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10
11 **UNITED STATES DISTRICT COURT**

12 **DISTRICT OF NEVADA**

13 CIRCUS CIRCUS LV, LP,

14 *Plaintiff,*

15 v.

16 AIG Specialty Insurance Company,

17 *Defendant.*

CASE NO. 2:20-cv-01240-JAD-NJK

**EXHIBITS TO PLAINTIFF'S
COMPLAINT**

18 Date: July 2, 2020

19 Respectfully submitted,
20 PLAINTIFF CIRCUS CIRCUS LV, LP
21 By and through its attorneys,

22 */s/ Renee M. Finch*

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EXHIBIT A



AIG SPECIALTY INSURANCE COMPANY
175 WATER STREET, NEW YORK, NY 10038
(hereinafter called the "Company")

THIS INSURER IS NOT LICENSED IN THE STATE OF NEW YORK AND IS NOT SUBJECT TO ITS SUPERVISION

COMMERCIAL PROPERTY POLICY
DECLARATIONS

Policy Number: 018257119

Renewal of: NEW

Item 1. Named Insured and Address:
CIRCUS CIRCUS CASINOS, INC.
2880 LAS VEGAS BOULEVARD SOUTH
LAS VEGAS, NV 89109

The Named Insured shall mean the First Named Insured and its affiliated and subsidiary companies and/or corporations as now exist or may hereafter be incorporated, constituted or acquired including their interests as may appear in partnerships or joint ventures which the Insured is legally obligated to insure.

Item 2. Mortgageholders, Loss Payees and Additional Insureds: Per Certificates on file with the Company or any endorsement attached to and forming a part of this **Policy**.

Item 3. Policy Period:
From: 12/20/2019 To: 12/20/2020
(At 12:01 A.M. Standard Time at the **Insured Location**.)

Item 4. Coverage Territory:
The United States, its territories and possessions and Puerto Rico, including their respective coastal waters.

Item 5. Premium:
A. Total Premium: \$1,662,777
B. Terrorism Premium: \$DECLINED
C. Minimum Earned Premium: 25% of Total Premium

Item 6. Policy Limit: \$500,000,000 is the maximum liability in any one **Occurrence** as a result of all covered loss or damage regardless of the number of **Insured Locations**, coverages or **Covered Causes of Loss** under this **Policy**.

AIG Specialty Participation:
100.00% being \$\$500,000,000 part of **Policy Limit** \$500,000,000 per **Occurrence** and in the primary

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Nevada Tax Wording

Assured Name: Circus Circo LV, LP

Policy #: 018257119

This insurance contract is issued pursuant to the Nevada insurance laws by an insurer neither licensed by nor under the supervision of the division of insurance of the department of business and industry of the State of Nevada. If the insurer is found insolvent, a claim under this contract is not covered by the Nevada Insurance Guaranty Association Act. (NRS 685A.090)

Nevada Premium Wording

Nevada Premium: 1,662,777.00

Broker Fee: _____

Tax: 58,547.20

Filing Fee: 16,691.11

Commercial Property – Claim Reporting and Claim Questions

Options for Reporting a New Claim

- **Telephone :** **AIG CallOnesm:** 800-931-9546 24/7, 365 days/year
- **Fax :** 855-805-4125
- **Email :** **Please send your email to:**
NewLoss-USproperty&energy@aig.com
- **Mail :** P.O. Box 25967, Shawnee Mission, KS 66225

Such notice shall include the Named Insured as shown on the Declarations, the policy number, the date of loss and a brief description of the potential claim.

Options for Questions Regarding Existing/Previously Reported Claims

For questions regarding existing claims, contact should be made directly via phone or email with the assigned AIG Examiner. ***However, in the instance where an AIG Examiner is unknown, please use the following methods to obtain the information:***

- **Claim Service Center: 877-873-9972**
- **AIG CallOne: 800-931-9546**

A. Sublimits of Liability:

The Sublimits of Liability stated in this **Policy** are part of and not in addition to the **Policy Limit** and any Sublimits of Liability shown in Item **6.A.** below. The Sublimits of Liability are: (1) the maximum amount the Company will pay for all covered loss or damage arising out of the specific perils or coverages and/or (2) the maximum number of days for a specific coverage, regardless of the number of **Insured Locations**, coverages or **Covered Causes of Loss** under this **Policy**.

The Sublimits of Liability stated in this **Policy** are per **Occurrence** unless otherwise indicated. Regardless of the number of **Occurrences**, any Annual Aggregate in this **Policy** is the maximum amount payable for all covered loss or damage for the applicable coverage or **Covered Cause of Loss**.

*If the words, NOT COVERED are shown instead of a limit, Sublimit amount, or number of days, or if a specified amount or number of days is not shown corresponding to any coverage or **Covered Cause of Loss**, then no coverage is provided for that coverage or **Covered Cause of Loss**.*

1. Sublimits Applicable to Specified Covered Causes of Loss – Each of these Sublimits is part of and not in addition to the **Policy Limit.**

a. Earth Movement:

- i. \$200,000,000: Annual Aggregate for all covered loss or damage arising out of **Earth Movement**
- ii. Subject to **A.1.a.i.** above, the Annual Aggregate for all covered loss or damage arising out of **Earth Movement** in California, Alaska, Hawaii and Puerto Rico combined: \$NOT COVERED
- iii. Subject to **A.1.a.i.** above, the Annual Aggregate for all covered loss or damage arising out of **Earth Movement** in the **Pacific Northwest Earthquake Zone**: \$NOT COVERED
- iv. Subject to **A.1.a.i.** above, the Annual Aggregate for all covered loss or damage arising out of **Earth Movement** in the **New Madrid Earthquake Zone**: \$NOT COVERED
- v. Other Sublimit(s) Applicable to **Earth Movement**:
NOT APPLICABLE

b. Flood:

- i. \$200,000,000: Annual Aggregate for all covered loss or damage arising out of **Flood**
- ii. Subject to **A.1.b.i.** above, the Annual Aggregate for all covered loss or damage arising out of **Flood** in a Special Flood Hazard Area (SFHA) as defined by the Federal Emergency Management Agency (FEMA) at the time of the loss: \$NOT COVERED

If the property that sustains physical loss or damage due to **Flood** is partially in such Special Flood Hazard Area (SFHA), then the entire

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property shall be deemed to be in that Special Flood Hazard Area (SFHA) and the loss or damage will be subject to the Sublimit stated **A.1.b.ii.** above.

iii. Other Sublimit(s) Applicable to **Flood**:

NOT APPLICABLE

c. **Named Storm**:

i. \$200,000,000 for all covered loss or damage arising out of **Named Storm**

ii. Subject to **A.1.c.i.** above, for all covered loss or damage arising out of **Named Storm** in a **Tier 1 High Hazard Wind Zone (Consisting of Texas to North Carolina, Hawaii, Puerto Rico and U.S. Virgin Islands)**: \$NOT COVERED

iii. Subject to **A.1.c.i.** above, for all covered loss or damage arising out of **Named Storm** in a **Tier 1 High Hazard Wind Zone (Consisting of Virginia to Maine)**: \$NOT COVERED

iv. Subject to **A.1.c.i.** above, for all covered loss or damage arising out of **Named Storm** in a **Tier 1 High Hazard Wind Zone (Florida)**: \$NOT COVERED

v. Subject to **A.1.c.i.** above, for all covered loss or damage arising out of **Named Storm** in a **Tier 2 High Hazard Wind Zone**: \$NOT APPLICABLE

vi. Other Sublimit(s) Applicable to **Named Storm**:

NOT APPLICABLE

For the purpose of the above Sublimits of Liability, **Named Storm** includes, but is not limited to, loss or damage from wind, **Hail**, lightning, tornado, rain or water (whether driven by wind or not), **Flood**, or any wind driven objects or debris.

In the event covered loss or damage by **Flood** occurs concurrently or in any sequence with a **Named Storm**, the maximum amount the Company will pay per **Occurrence** for all such loss or damage by **Flood** shall be the applicable Sublimits of Liability for **Flood** as shown in Item **6.A.1.b.** above, but in no event shall the Company pay more than the maximum applicable **Named Storm** Sublimit. However, if **Flood** is not covered, the maximum amount the Company will pay per **Occurrence** for all such loss or damage arising out of **Named Storm** shall exclude loss or damage by **Flood**.

d. **Equipment Breakdown**: \$125,000,000 for all covered loss or damage from **Equipment Breakdown**

• Other Sublimit(s) Applicable to **Equipment Breakdown**:

NOT APPLICABLE

2. **Sublimits Applicable to Additional Time Element Coverages** - Each of these Sublimits is part of, and not in addition to the **Policy Limit** and any Sublimits applicable to Specified Covered Causes of Loss shown in Item **6.A.1** above.

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- a. **Contingent Time Element:** \$10,000,000, except as respects **Earth Movement, Flood, and Named Storm**, where the Sublimit is \$50,000
 - b. **Extended Period of Indemnity:** 180 days
 - c. **Extra Expense:** \$10,000,000
 - d. **Ingress & Egress:** 30 days, subject to a maximum Sublimit of \$10,000,000 and a distance limitation of 1 mile
 - e. **Interruption by Civil or Military Authority:** 30 days, subject to a maximum Sublimit of \$10,000,000 and a distance limitation of 1 mile
 - f. **Rental Value:** \$NOT COVERED
 - g. **Royalties:** \$NOT COVERED
 - h. **Additional Sublimits:** \$NOT APPLICABLE
3. **Sublimits Applicable to Additional Coverages** - Each of these Sublimits is part of, and not in addition to the **Policy Limit** and any Sublimits applicable to Specified Covered Causes of Loss shown in Item **6.A.1.** above.
- a. **Accounts Receivable:** \$10,000,000
 - b. **Debris Removal:** 25% of covered direct physical loss or damage payable for all Insured Property, subject to a maximum Sublimit of \$25,000,000
 - c. **Demolition And Increased Cost of Construction:**
 - Demolition Coverage A: \$500,000,000
 - Demolition Coverage B: \$10,000,000
 - Demolition Coverage C: \$10,000,000
 - d. **Electronic Data and Media:** \$10,000,000
 - e. **Errors or Omissions:** \$10,000,000, except as respects **Earth Movement, Flood, and Named Storm**, where the Sublimit is \$50,000
 - f. **Expediting Expenses:** \$10,000,000
 - g. **Fine Arts:** \$10,000 per item subject to a maximum Sublimit of \$5,000,000 per **Occurrence**

- h. **Fire Brigade Charges And Extinguishing Expenses:** \$1,000,000
 - i. **Leasehold Interest (including Leasehold Improvements & Betterments):** \$250,000
 - j. **Limited Pollution Coverage:** \$100,000 Annual Aggregate
 - k. **Miscellaneous Unnamed Locations:** \$10,000,000, except as respects **Earth Movement, Flood, and Named Storm**, where the Sublimit is \$50,000
 - l. **New Construction and Additions:** \$10,000,000, except as respects **Earth Movement, Flood, and Named Storm**, where the Sublimit is \$5,000,000. In no event will the Company pay more than \$500,000 for **Soft Costs**.
 - m. **Newly Acquired Property:** \$10,000,000, except as respects **Earth Movement, Flood, and Named Storm**, where the Sublimit is \$5,000,000 not to exceed 90 days
 - n. **Outdoor Property:** \$5,000,000
 - o. **Pairs or Sets:** \$NOT COVERED
 - p. **Professional Fees:** \$100,000
 - q. **Property Removed from Insured Locations:** \$1,000,000
 - r. **Service Interruption:** \$10,000,000
 - s. **Spoilage:** \$1,000,000
 - t. **Transit:** \$500,000 per conveyance subject to a maximum Sublimit of \$500,000 per **Occurrence**
 - u. **Valuable Papers and Records:** \$10,000,000
 - v. **Additional Sublimits:** NOT APPLICABLE
4. **Other Sublimits:** Each of these Sublimits is part of, and not in addition to the **Policy Limit** and any Sublimits applicable to Specified Covered Causes of Loss shown in Item 6.A.1 above.
- a. **Contractor's Equipment:** \$NOT COVERED for physical loss or damage to contractor's equipment per item subject to a maximum Sublimit of \$NOT COVERED per **Occurrence**

b. Ordinary Payroll 90 days

B. Maximum Amount Payable: In the event of covered loss or damage hereunder, the liability of the Company shall be limited to the least of the following:

1. The actual adjusted amount of covered loss or damage, less applicable Deductible(s);
2. As respects each **Insured Location**, one-hundred (100%) percent of the total combined stated values for all categories of Insured Property and Time Element coverages shown for that **Insured Location** on the latest Statement of Values or other documentation, on file with the Company prior to the time of the loss or damage; or
3. The **Policy Limit** or applicable Sublimit(s) of Liability shown in Item 6.A. or elsewhere in this **Policy**.

Item 7. Qualifying Periods: In accordance with the **Policy**, the following Qualifying Periods apply to these Additional Coverages:

- | | |
|--|----------|
| A. Ingress & Egress: | 48 hours |
| B. Interruption by Civil or Military Authority: | 48 hours |
| C. Service Interruption: | 48 hours |

Item 8. Deductibles: The Deductibles shown below apply per **Occurrence** unless otherwise stated.

A. Policy Deductible: \$500,000 applicable to all covered loss or damage unless otherwise stated below or in this **Policy**.

B. Earth Movement:

1. \$500,000 for all covered loss or damage arising out of **Earth Movement** (other than as set forth in this Earth Movement Deductible section).
2. NOT COVERED% of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of \$ NOT COVERED any one **Occurrence** for all covered loss or damage arising out of **Earth Movement** in California, Hawaii, Alaska and Puerto Rico.
3. NOT COVERED% of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of \$NOT COVERED any one **Occurrence** for all covered loss or damage arising out of **Earth Movement** in the **Pacific Northwest Earthquake Zone**.
4. NOT COVERED% of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of \$NOT COVERED any one **Occurrence** for all covered loss or damage arising out of **Earth Movement** in the **New Madrid Earthquake Zone**.
5. Other Deductibles applicable to **Earth Movement**:

NOT APPLICABLE

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C. Flood:

1. \$500,000 for all covered loss or damage arising out of **Flood** (other than as set forth in this Flood Deductible section).
2. NOT APPLICABLE% of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of \$NOT APPLICABLE any one **Occurrence** for all covered loss or damage arising out of **Flood** at any property wholly or partially within a Special Flood Hazard Area (SFHA) at the time of the loss as defined by the Federal Emergency Management Agency (FEMA).
3. Other Deductibles applicable to **Flood**:
NOT APPLICABLE

D. Named Storm

1. 5.00% of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of \$500,000 any one **Occurrence** for all covered loss or damage arising out of **Named Storm** (other than as set forth in this Named Storm Deductible section).
2. NOT COVERED% of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of \$NOT COVERED any one **Occurrence** for all covered loss or damage arising out of **Named Storm** in a **Tier 1 High Hazard Wind Zone (Consisting of Texas to North Carolina, Hawaii, Puerto Rico and U.S. Virgin Islands)**.
3. NOT COVERED% of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of \$NOT COVERED any one **Occurrence** for all covered loss or damage arising out of **Named Storm** in a **Tier 1 High Hazard Wind Zone (Consisting of Virginia to Maine)**.
4. NOT COVERED% of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of \$NOT COVERED any one **Occurrence** for all covered loss or damage arising out of **Named Storm** in a **Tier 1 High Hazard Wind Zone (Florida)**.
5. NOT APPLICABLE% of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of \$NOT APPLICABLE any one **Occurrence** for all covered loss or damage arising out of **Named Storm** in a **Tier 2 High Hazard Wind Zone**.
6. Other Deductibles applicable to **Named Storm**:
NOT APPLICABLE

E. High Hazard Hail:

1. 5.00% of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of \$500,000 any one **Occurrence** for all covered loss or damage arising out of **Hail** in **Hail Zone 1**.

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2. 3% of Total Insurable Values at the time of the loss at each **Insured Location** involved in the loss or damage, subject to a minimum of \$500,000 any one **Occurrence** for all covered loss or damage arising out of **Hail** in **Hail Zone 2**.

3. Other Deductibles applicable to **Hail**:

NOT APPLICABLE

F. Equipment Breakdown:

1. **Property Damage and Time Element Combined Deductible:**

\$500,000 for all covered loss or damage from **Equipment Breakdown**; or

2. **Property Damage and Time Element Separate Deductibles:**

- a. **Property Damage:** \$NOT APPLICABLE for all covered loss or damage other than Time Element loss to **Covered Equipment** from **Equipment Breakdown** and in addition, the following Time Element Deductible:

- b. **Time Element:**

- i. \$NOT APPLICABLE for all covered Time Element loss from **Equipment Breakdown**;

- ii. NOT APPLICABLE times the **Average Daily Value** for all covered Time Element loss from **Equipment Breakdown**; or

- iii. NOT APPLICABLE hours following the **Occurrence** for all covered Time Element loss from **Equipment Breakdown**.

3. Other Deductibles applicable to **Equipment Breakdown**:

NOT APPLICABLE

G. Additional Deductible(s):

NOT APPLICABLE

In each case of loss or damage covered by this **Policy**, the Company shall not be liable unless the Insured sustains covered loss or damage in a single **Occurrence** greater than any applicable Deductible described in this **Policy** and then only for the amount in excess of such Deductible.

If an amount is not shown for any Deductible, then that Deductible shall not apply. Also, if an amount is not shown with respect to a part of a Deductible, then such part shall not apply, but the rest of the Deductible shall apply. When this **Policy** covers more than one **Insured Location**, the Deductible shall apply against the total loss or damage covered by this **Policy** in any one **Occurrence**, unless otherwise stated herein.

If two or more Deductible amounts provided in this **Policy** apply to a single **Occurrence**, the total to be deducted shall not exceed the largest applicable Deductible unless otherwise stated in this **Policy**. However, if a separate Property Damage Deductible and a separate Time Element Deductible apply to loss or damage in a single **Occurrence**, the Company shall apply both Deductibles. For any coverage for which there is a waiting period or a time period before coverage commences, such period shall apply in addition to any applicable Deductible(s) set forth in this **Policy**.

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For avoidance of doubt, with respect to the largest applicable Deductible, if covered loss or damage by **Flood** occurs concurrently or in any sequence with a **Named Storm**, then the Company shall apply the **Flood** Deductible set forth in Item 8.C. or the **Named Storm** Deductible set forth in Item 8.D., whichever is greater.

Item 9. Assigned Adjuster:

Adjuster Name: NOT APPLICABLE

Adjusting Firm: NOT APPLICABLE

Item 10. Forms Attached: See attached Forms Schedule

IN WITNESS WHEREOF, we have caused this Policy to be signed on the Declarations by our President, Secretary and our duly authorized representative.



President



Secretary

This Policy shall not be valid unless signed at the time of issuance by our authorized representative.



Authorized Representative

Countersignature (if applicable)

Date

Countersigned At

FORMS SCHEDULE

Named Insured: CIRCUS CIRCUS CASINOS, INC.

Policy No: 018257119

Effective Date: 12/20/2019

<u>Form Number</u>	<u>Edition Date</u>	<u>Endorsement Number</u>	<u>Title</u>
MANUSCRIPT			COMMERCIAL PROPERTY POLICY DECLARATIONS
PR8371	01/18		COMMERCIAL PROPERTY POLICY
NMA2914	01/01	001	ELECTRONIC DATA ENDORSEMENT A
PR4266	12/14	002	TERRORISM EXCLUSION ENDORSEMENT
PR8346	02/08	003	UPGRADE TO GREENSM COMMERCIAL ENDORSEMENT
LM0001	01/18	004	TIME ELEMENT LOSS SUBLIMIT ENDORSEMENT
MANUSCRIPT		005	CASINO GAMING CHIPS VALUATION AMENDATORY ENDORSEMENT

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aig.com/producer-compensation or by calling 1-800-706-3102.



**AIG SPECIALTY INSURANCE COMPANY
COMMERCIAL PROPERTY POLICY**

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AIG SPECIALTY INSURANCE COMPANY
ADMINISTRATIVE OFFICES: 175 WATER STREET, NEW YORK, NY 10038
 (hereinafter called the "Company")

COMMERCIAL PROPERTY POLICY

Various provisions in this **Policy** restrict coverage. Read the entire **Policy** carefully to determine rights, duties and what is and is not covered.

The word "Insured" means the Named Insured shown in Item 1. of the Policy Declarations and any person or entity qualifying as a Named Insured. The word "Company" means the Insurer providing coverage under this **Policy**. Words or phrases which appear in boldface type have special meanings as defined in the POLICY DEFINITIONS Section and elsewhere in this **Policy**.

SECTION I – COVERED CAUSES OF LOSS

A. **INSURING AGREEMENT:** Subject to all of the terms and conditions of this **Policy**, the Company insures against all risks of direct physical loss or damage to Insured Property from a **Covered Cause of Loss**.

B. **PERILS EXCLUDED:**

1. Except as otherwise provided under the Additional Coverages and Additional Time Element Coverages (and in such event, only to the extent provided therein), the Company does not insure for loss or damage caused directly or indirectly by any of the following perils. Such loss or damage is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss or damage. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area:

- a. Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by a **Covered Cause of Loss**. However:
 - i. If fire and sprinkler leakage not otherwise excluded ensues, the Company shall be liable for direct physical loss or damage by such ensuing fire and sprinkler leakage, but not including any loss or damage due to nuclear reaction, nuclear radiation or radioactive contamination; and
 - ii. This exclusion shall not apply to direct physical loss or damage, not otherwise excluded, caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the **Insured Location**, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the **Insured Locations**.
- b. i. War, hostile or warlike action in time of peace or war, whether or not declared, including action in hindering, combating, or defending against an actual, impending, or expected attack:

(1) By any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval or air forces; or

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(2) By military, naval or air forces; or

(3) By an agent of any such government, power, authority or force;

- ii. Any weapon employing atomic fission, fusion or radioactive force, or any weapon that disperses radioactive material or a directed-energy or electromagnetic weapon, whether in time of peace or war, whether or not its discharge was accidental; or
- iii. Insurrection, rebellion, revolution, civil war, usurped power, seizure, destruction or any action taken by governmental authority in hindering, combating or defending against any action described in this Subparagraph b;

Including any consequence of Subparagraphs b.i., b.ii. or b.iii. above of this exclusion.

- c. Loss or damage caused directly or indirectly by **Terrorism**, whether controlled or uncontrolled, proximate or remote, sudden or over any length of time, or which is contributed to or aggravated by any other cause or event. Such **Terrorism** is excluded regardless of any other cause or event occurring concurrently or in any sequence with such **Terrorism**.
- d. Any fraudulent or dishonest act or acts committed alone or in collusion with others: by any proprietor, partner, director, trustee, officer or employee of the Insured, or by any party to whom the property may have been entrusted (other than a carrier for hire).

However, a willful act of destruction by an employee of the Insured, or others listed above, without the knowledge of any of the Insured's proprietors, partners, directors, trustees or officers is covered.

- e. Removal of asbestos material, except this exclusion does not apply to asbestos material when such material is part of Insured Property which sustains direct physical loss or damage caused by a **Defined Peril** at the **Insured Location**.
- f. The actual, alleged or threatened release, discharge, escape or dispersal of **Pollutants or Contaminants**, all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any **Covered Cause of Loss** under this **Policy**.

However, this exclusion shall not apply to direct physical loss or damage to Insured Property from **Pollutants or Contaminants** caused by a **Defined Peril** at the **Insured Location**, including the cost to clean-up **Pollutants or Contaminants** from Insured Property at the **Insured Location**, resulting from such loss or damage. No coverage is provided for testing or monitoring for **Pollutants or Contaminants**. For the purpose of the exception to this exclusion only, **Pollutants or Contaminants** do not include radioactive contaminants.

g. Lack of:

- i. Incoming electricity, gas, fuel, steam, water or refrigeration;
- ii. **Cloud Computing Service** or data, voice or video service; or
- iii. Outgoing sewerage.

- h. Costs, expenses, fines or penalties incurred or sustained by or imposed on the Insured at the order of any government agency, court or other authority arising from any cause whatsoever.

- i. Any functioning or malfunctioning or lack of:
 - i. The internet or similar facility; or
 - ii. Any intranet or private network, computer system, computer or computing device or similar facility;

However, if direct physical loss or damage to Insured Property at an **Insured Location** from a **Defined Peril** ensues, this **Policy** shall cover such ensuing loss or damage.

- j. Error or omission in machine programming or instructions of **Electronic Data and Media**, including, loss attributable to program design constraints, networking compatibility and original business software; all unless direct physical loss or damage not otherwise excluded by this **Policy** ensues, in which event, the Company shall cover only such ensuing loss or damage.
 - k. Loss or damage due to any **Unauthorized Access, Unauthorized Use, Malicious Code, Magnetic Damage to Electronic Data and Media, Denial of Service Attack** or other similar peril affecting **Electronic Data and Media** or the access to or use of computer hardware, software or other components thereof; all unless direct physical loss or damage not otherwise excluded by this **Policy** ensues, in which event, the Company shall cover only such ensuing loss or damage.
 - l. **Fungus, Mold or Spore**; or any spores or toxins created or produced by or emanating from such **Fungus, Mold or Spore**.
 - m. **Equipment Breakdown** of: (1) vehicles, draglines or excavation or construction equipment; or (2) any equipment on the foregoing.
 - n. Loss or damage arising out of any **Covered Cause of Loss**, Additional Coverages or Additional Time Element Coverages for which the words NOT COVERED or for which a specified amount or number of days is not shown in the Policy Declarations.
2. The Company does not insure for loss or damage caused by any of the following:
- a. Delay, loss of market or loss of use.
 - b. Indirect, remote or consequential loss or damage.
 - c. Mysterious disappearance or loss or shortage disclosed on taking inventory or any unexplained loss.
 - d. Voluntary parting with title or possession of any property, including voluntary parting which is the result of larceny, false pretenses or any other similar act.
 - e. Faulty workmanship, material, construction, installation or design from any cause. However, if direct physical loss or damage not otherwise excluded by this **Policy** ensues, this **Policy** will cover only such ensuing loss or damage.
 - f. Processing, fabricating, testing, packaging or other similar operations as part of manufacturing or processing of stock, materials or **Finished Goods**, including any voluntary or involuntary recall of any product for any reason; all unless direct physical loss or damage not otherwise excluded by this **Policy** ensues, in which event this **Policy** will cover only such ensuing loss or damage.

- g. Deterioration; depletion; rust; corrosion; erosion; wet or dry rot; decay; evaporation; leakage; wear and tear; animal, insect or vermin damage; inherent vice or latent defect; shrinkage or change in color, flavor, texture or finish; damages from extremes or changes of temperature; damage from changes in relative humidity; all whether atmospheric or not. However, if direct physical loss or damage not otherwise excluded by this **Policy** ensues, this **Policy** will cover only such ensuing loss or damage.
 - h. Settling, cracking, shrinking, bulging or expansion of pavements, foundations, walls, floors or ceilings. However, if direct physical loss or damage not otherwise excluded by this **Policy** ensues, this **Policy** will cover only such ensuing loss or damage.
 - i. Hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test to any type of electrical equipment. However, if direct physical loss or damage not otherwise excluded by this **Policy** ensues, this **Policy** will cover only such ensuing loss or damage.
3. If **Earth Movement, Flood or Named Storm** is not covered, then any cause or event occurring concurrently or in any sequence with such peril(s) is also not covered, except for direct physical loss or damage to Insured Property caused by fire, sprinkler leakage or explosion following **Earth Movement, Flood or Named Storm**, whichever is applicable.

Direct physical loss or damage to Insured Property caused by fire, sprinkler leakage or explosion shall not be considered loss or damage by **Earth Movement, Flood or Named Storm**, whichever is applicable, within the terms and conditions of this **Policy**.

SECTION II – INSURED PROPERTY

- A. **INSURED PROPERTY:** Unless otherwise excluded, this **Policy** covers the following property while on the **Insured Locations** and within 1,000 feet thereof:
- 1. Real property and personal property in which the Insured has an insurable interest;
 - 2. Improvements and betterments to buildings or structures in which the Insured has an insurable interest. Such improvements and betterments shall be considered real property;
 - 3. Personal property, other than motor vehicles, of officers and employees of the Insured;
 - 4. Except as set forth in Subparagraph **II.B.17.**, personal property of others in the care, custody and control of the Insured, when the Insured is under obligation to insure such property for physical loss or damage of the type insured against under this **Policy**;
 - 5. Contractor's and vendor's interests in property of the type covered by this **Policy** to the extent of the Insured's liability imposed by law or assumed by written contract prior to the date of direct physical loss or damage. However, such interests do not extend to any Time Element coverage provided by this **Policy**.
- B. **PROPERTY EXCLUDED:** Except as otherwise provided under the Additional Coverages and Additional Time Element Coverages (and in such event, only to the extent provided therein), this **Policy** does not insure against loss or damage to:
- 1. New buildings, structures and additions under construction, including any site preparation;
 - 2. Materials, equipment and supplies for new buildings, structures and additions;

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3. Currency, money, notes, securities, stamps, furs, jewelry, precious metals, precious stones and semi-precious stones. This exclusion does not apply to precious metals and precious or semi-precious stones used by the Insured for industrial purposes;
4. Land, land values, any substance in or on land or any alteration to the land; however, this **Policy** does insure the following:
 - a. Any manmade: dams, dikes, levees, aqueducts and other surface containments, if values for such structures are reported to the Company; and
 - b. Fill beneath any buildings or structures;
5. Water, except water which is normally contained within any type of insured tank, piping system or other process equipment;
6. **Outdoor Property;**
7. Standing timber, growing crops or animals;
8. Vehicles licensed for highway use, watercraft, aircraft, drones, locomotives and railroad rolling stock;
9. Property sold by the Insured under conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to customers;
10. Property in transit;
11. Underground mines, caverns or mining shafts, and any property contained therein;
12. Offshore property, including offshore rigs, platforms or similar structures, and property contained therein or thereon;
13. Satellites and spacecraft while on the launch pad, and after the time of launch;
14. Bridges, tunnels, reservoirs and canals;
15. Bulkheads, pilings, docks, piers and wharves;
16. Transmission and distribution lines of every type and description, except when located on an **Insured Location** or within one-thousand (1,000) feet thereof;
17. Personal property in the care, custody, and control of the Insured when the Insured is acting as a warehouse operator, bailee for hire or a carrier for hire;
18. **Electronic Data and Media;** and
19. **Fine Arts.**

SECTION III – VALUATION

Unless otherwise endorsed hereon, the property, as described below, will be valued as follows:

- A. For all property other than property specifically described in Subparagraphs **B.** through **N.**, inclusive, below: Such property will be valued at the cost to repair or replace (whichever is less) at the time and place of the loss with materials of like kind and quality, without deduction for depreciation and/or obsolescence. The Insured may elect to rebuild on another site, however the

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liability of the Company is limited to the amount of loss or damage that would otherwise be payable to rebuild at the same site. Property that is not repaired or replaced within two (2) years after the date of loss, unless such requirement is waived by Company in writing, will be valued at actual cash value at the time and place of the loss.

- B. Stock in process will be valued at the cost of **Raw Materials** and labor expended plus the proper proportion of overhead charges.
- C. **Finished Goods** manufactured by the Insured will be valued at the regular cash selling price at the location where the loss occurs, less all discounts and charges to which the merchandise would have been subject had no loss occurred.
- D. **Raw Materials**, supplies and merchandise not manufactured by the Insured will be valued at the cost to replace such property.
- E. **Valuable Papers and Records** will be valued at the cost to replace or restore the property with like kind and quality including the cost to research, gather and assemble information. If not replaced, the Company will only pay the blank value of the papers or records.
- F. **Electronic Data and Media: Electronic Data** will be valued at the cost to restore such data from duplicates to the condition that existed prior to the time of the loss. If duplicate electronic data is not available, then the **Electronic Data** will be valued at the cost to research, gather and assemble the **Electronic Data** to the condition that existed prior to the time of the loss.

Media will be valued at the lesser of the cost to repair the **Media** or replace it with blank media of like kind and quality without deduction for depreciation and/or obsolescence.

- G. Jigs and fixtures, dies, small tools and patterns will be valued at replacement cost, if replacement cost values have been reported to the Company and if actually replaced; otherwise, such items will be valued at the replacement cost minus the proper deduction for depreciation and/or obsolescence, but not to exceed the cost to repair or replace the property with materials of like kind and quality.
- H. Leasehold improvements and betterments will be valued as follows:
 - 1. If repaired or replaced at the expense of the Insured within two (2) years after the date of the loss, the cost to repair or replace the damaged improvements and betterments with materials of like kind and quality;
 - 2. If not repaired or replaced within two (2) years after the date of the loss, a proportion of the Insured's original cost determined as follows:
 - a. Multiplying the original cost by the number of days from the date of loss or damage to the expiration of the lease; and
 - b. Dividing the amount determined in Subparagraph a. above by the number of days from the installation of improvements to the expiration of the lease.

If the Insured's lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure; or
 - 3. If others pay for repairs or replacement, then no amount shall be payable.

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- I. **Fine Arts** will be valued at the least of: (1) the cost to repair or replace the **Fine Arts**; (2) the appraised value had no loss or damage occurred which will be determined at the time of the loss; or (3) the agreed value on file with the Company.
- J. Accounts Receivable will be valued at the amount owed the Insured which the Insured is unable to collect from customers due to the loss of the Accounts Receivable, and shall include:
1. Any collection expenses over and above the normal collection costs;
 2. Interest charges on any loan to offset impaired collections pending repayment of such sums that cannot be collected; and
 3. The reasonable and necessary expenses incurred by the Insured to recreate Accounts Receivable records.

Unearned interest and service charges on deferred payment accounts and normal credit losses on bad debts shall be deducted in determining the recovery hereunder.

All amounts recovered by the Insured on Accounts Receivable for which the Insured has been paid by the Company will belong and be paid to the Company by the Insured up to the total amount of loss paid by the Company. All recoveries in excess of such amounts will belong to the Insured.

In the event it is possible to reconstruct the Insured's Accounts Receivable records after they have been physically lost or damaged, so that no shortage in collection of Accounts Receivable is sustained, the Company shall only be liable for the costs of the material and the time required to reconstruct such records, with the exercise of due diligence and dispatch, but only to the extent that such amounts are not covered by any other insurance.

- K. **Property for Sale:** As respects any real property that was being offered for sale at the time of loss, the loss or damage to such property will be valued at the lesser of:
1. The cost to repair or replace the damaged property; or
 2. The price at which the property is offered for sale less the market value of the land.
- L. **Property in Transit:** In case of loss, the basis of adjustment shall be:
1. Property shipped to or for the account of the Insured shall be valued at the actual invoice to the Insured, together with such costs and charges as may have accrued and become legally due on such property;
 2. Property which has been sold by the Insured and has been shipped to or for the account of the purchaser is valued at the amount of the Insured's selling invoice, including prepaid or advanced freight;
 3. Property of others not under invoice shall be valued at the least of the Insured's legal liability for such property, the replacement cost or the actual market value at the point of destination on the date of the **Occurrence**, less any charges saved which would have become due and payable upon delivery at destination; or
 4. Property of the Insured not under invoice shall be valued in accordance with the valuation provisions of this **Policy** applying at the location from which such property is being transported, less any charges saved which would have become due and payable upon delivery at such destination.

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- M. Contractor's equipment shall be valued at actual cash value, unless an agreed value on file with the Company applies.
- N. Trees, shrubs, plants and lawns will be valued at the cost to replace the property with local nursery stock.

Unless otherwise specifically stated, the Company will compute the valuations at the time and place of the loss. All of the above shall be subject to the applicable Sublimit of Liability set forth in this **Policy**.

SECTION IV – TIME ELEMENT COVERAGE

GROSS EARNINGS

This **Policy** covers actual loss of income sustained by the Insured during the necessary partial or total interruption of the Insured's business operations, services or production during the Period of Interruption directly resulting from a **Covered Cause of Loss** to Insured Property at an **Insured Location**.

- A. **ACTUAL LOSS OF INCOME SUSTAINED:** In the event the Insured is prevented from producing goods or from continuing its business operations or services and is unable:

1. To make up lost production within a reasonable period of time (not to be limited to the period during which production is interrupted); or
2. To continue business operations or services;

through the use of any property or service owned or controlled by the Insured, or obtainable from other sources, whether the property or service is at an **Insured Location** or through working extra time or overtime at any other substitute location(s), including any other location(s) acquired for the purpose, then the Company shall be liable, subject to all other conditions of this **Policy** not inconsistent herewith, for the actual loss of income sustained during the Period of Interruption.

The actual loss of income sustained shall be determined by calculating the **Gross Earnings** and subtracting all charges and expenses which do not necessarily continue during the interruption of production or suspension of business operations or services.

For the purpose of this coverage, **Gross Earnings** means:

1. For manufacturing operations: The net sales value of production less the cost of all raw stock, materials and supplies utilized in such production; or
2. For mercantile or non-manufacturing operations: The total net sales (excluding any revenue derived from property held for rent), less cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the Insured;
3. Plus all other earnings except **Rental Value** derived from the operation of the business.

In determining net sales, in the event of loss hereunder, for mercantile or non-manufacturing operations, any amount recovered under this **Policy** for direct physical loss or damage to merchandise shall be included as though the merchandise had been sold to the Insured's regular customers and will be credited against such net sales.

In determining the amount payable under this coverage, the Period of Interruption shall be:

The period from the time of direct physical loss or damage from a **Covered Cause of Loss** to Insured Property to the time when, with the exercise of due diligence and dispatch, either:

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1. Normal operations resume; or
2. Physically damaged buildings and equipment could be repaired or replaced and made ready for operations under the same or equivalent physical and operating conditions that existed prior to such loss or damage;

whichever is less. Such period of time shall not be cut short by the expiration or earlier termination date of this **Policy**.

Such Period of Interruption includes the time necessary, with the exercise of due diligence and dispatch:

- a. To restore stock in process to the same state of manufacture in which it stood at the time of the initial interruption of production or suspension of business operations or services;
- b. To replace physically damaged or destroyed mercantile stock necessary to resume operations; and
- c. To replace **Raw Materials** and supplies in order to continue operations.

However, the inability to procure destroyed mercantile stock or suitable **Raw Materials** and supplies to replace similar stock or materials and supplies physically damaged or destroyed shall not increase the Period of Interruption.

For property in the Course of Construction: The period of time between the anticipated date of completion and the actual date on which occupancy or commercial service can commence with respect to new buildings, structures or additions under construction with the exercise of due diligence and dispatch, but only with respect to any delay related to covered loss to such property under this **Policy**.

The Period of Interruption does not include any additional time:

1. Required for restaffing or retraining employees;
2. Due to the Insured's inability to resume operations for reasons other than those enumerated in Subparagraphs a. through c., inclusive, above; or
3. Required for making change(s) to the buildings, structures or equipment for any reason except as provided in the Demolition and Increased Cost of Construction coverage, if such coverage is provided by this **Policy**.

In determining the amount of loss payable under this coverage, due consideration shall be given to the experience of the business before the Period of Interruption and the probable experience thereafter had no loss occurred, and to the continuation of only those normal charges and expenses that would have existed had no interruption of production or suspension of business operations or services occurred. Due consideration shall also be given to any sales which are made up within a reasonable period of time, not limited to the period during which business is interrupted.

There is no coverage for any portion of the Insured's Ordinary Payroll expense unless a specified number of days for Ordinary Payroll is shown in the Policy Declarations. In such case, the Company will pay Ordinary Payroll for that number of days only. Ordinary Payroll means the entire payroll expense for all employees of the Insured except officers, executives, department managers, employees under contract, and other essential employees.

- B. **EXPENSE TO REDUCE LOSS:** Coverage is provided for expenses necessarily incurred by the Insured in reducing its **Gross Earnings** loss otherwise payable hereunder, but in no event shall this Company be liable for an amount greater than the **Gross Earnings** loss that otherwise would have been payable.

C. **ADDITIONAL TIME ELEMENT COVERAGES**

All Additional Time Element Coverages are subject to the terms and conditions of this **Policy**, including but not limited to, any conditions set forth in this TIME ELEMENT COVERAGE Section, the Sublimits of Liability corresponding to each such Additional Time Element Coverage, any other applicable Sublimits or Deductibles shown elsewhere in this **Policy**. The Sublimits corresponding to each such Additional Time Element Coverage are the maximum amount the Company will pay for all loss or damage arising out of such specified Additional Coverages. Such Sublimits are part of, and not in addition to the **Policy Limit** and the Specified Covered Causes of Loss Sublimits shown in Item **6.A.1.** of the Policy Declarations or elsewhere in this **Policy**.

1. **CONTINGENT TIME ELEMENT:** If direct physical loss or damage to property of the type insured under this **Policy** of a direct supplier or direct customer of the Insured is damaged by a **Covered Cause of Loss**, and such loss or damage:

- a. Wholly or partially prevents any direct supplier from supplying their goods and/or services to the Insured; or
- b. Wholly or partially prevents any direct customer from accepting the Insured's goods and/or services;

then this **Policy** is extended to cover the actual loss of income and **Extra Expense** sustained by the Insured during the Period of Interruption with respect to such property of the supplier or customer that sustains such loss or damage. This coverage does not apply to new buildings, additions or alterations in the course of construction of any direct supplier or direct customer.

This coverage applies to the Insured's direct suppliers or direct customers located in the **Coverage Territory**.

Notwithstanding the foregoing, this Additional Coverage does not apply to:

- a. Any supplier of electricity, gas, fuel, steam, water, refrigeration, sewerage service, **Cloud Computing Service** or data, voice or video service; or
 - b. The Insured's customers, if the Insured is a supplier of electricity, gas, fuel, steam, water, refrigeration, sewerage service, **Cloud Computing Service** or data, voice or video service.
2. **EXTENDED PERIOD OF INDEMNITY:** Coverage is provided for such additional length of time as is required to restore the Insured's business to the condition that would have existed had no loss occurred, commencing with the later of the following dates:
- a. The date on which the liability of the Company for loss or damage would otherwise terminate; or
 - b. The earliest date on which either normal operations resume, or repair, replacement or rebuilding of the property that has been damaged is actually completed;

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but in no event for a period of time exceeding the number of days specified in the Policy Declarations starting with the later of Subparagraph a. or b. above. This Extended Period of Indemnity does not apply to any Additional Time Element Coverages.

3. **EXTRA EXPENSE:** This **Policy** is extended to cover the loss sustained by the Insured for **Extra Expense** during the Period of Interruption resulting from direct physical loss or damage by a **Covered Cause of Loss** to Insured Property utilized by the Insured. **Extra Expense** means reasonable and necessary:

a. Extra expense incurred to temporarily continue as nearly normal as practicable the conduct of the Insured's business; and

b. Extra costs of temporarily using property or facilities of the Insured or others;

all less any value remaining at the end of the Period of Interruption for property obtained in connection with the above.

The Insured agrees to use any suitable property or service owned or controlled by the Insured or obtainable from other sources in reducing the loss under this TIME ELEMENT COVERAGE Section of this **Policy**.

The maximum amount that the Company will pay for all **Extra Expense** under this **Policy** is the Extra Expense Sublimit of Liability as shown in the Policy Declarations regardless of any other applicable coverages, Additional Coverages or Additional Time Element Coverages.

4. **INGRESS & EGRESS:** This **Policy** is extended to cover the actual loss of income and **Extra Expense** sustained during the period of time when partial or total physical ingress to or egress from the Insured's real or personal property is prohibited as a direct result of a **Covered Cause of Loss** to property of others, provided that such property of others is within the distance from the **Insured Location** as shown on the Policy Declarations under Ingress & Egress. There shall be no loss payable under this Additional Coverage unless the prohibition of ingress to or egress from real or personal property exceeds the Qualifying Period shown in the Policy Declarations. If the prohibition does exceed the Qualifying Period, the loss shall be measured from the date that ingress to or egress from real or personal property is prohibited and ends when ingress or egress is no longer prohibited, but no longer than the number of days for Ingress & Egress shown in the Policy Declarations. In no event shall the Company pay more than the Sublimit shown in the Policy Declarations.

5. **INTERRUPTION BY CIVIL OR MILITARY AUTHORITY:** This **Policy** is extended to cover the actual loss of income and **Extra Expense** sustained during the period of time when an order of civil or military authority prohibits total or partial access to the Insured's real or personal property, provided such order is a direct result of a **Covered Cause of Loss** to property of others and such property of others is within the distance from the **Insured Location** as shown on the Policy Declarations under Interruption by Civil or Military Authority. There shall be no loss payable under this Additional Coverage unless the length of time the order prohibiting access to the Insured's real or personal property exceeds the Qualifying Period shown in the Policy Declarations. If the length of time of the order does exceed the Qualifying Period, the loss shall be measured from the effective date of such order and ends when the order expires, but no longer than the number of days for Interruption of Civil or Military Authority shown in the Policy Declarations. In no event shall the Company pay more than the Sublimit shown in the Policy Declarations.

6. **RENTAL VALUE:** As respects Insured Property held for rental to others, this **Policy** is extended to cover the loss sustained by the Insured due to direct physical loss or damage by a **Covered**

Cause of Loss during the Period of Interruption but not exceeding the reduction in **Rental Value** less charges and expenses which do not necessarily continue.

Rental Value means the sum of:

- a. The total anticipated gross rental income from tenant occupancy of the **Insured Location** as furnished and equipped by the Insured including taxes, rent based on percentage of sales, and other charges paid by tenants in respect of the leased premises;
- b. The amount of all charges which, by the terms of a written lease, are the legal obligation of the tenant(s) and which would otherwise be obligations of the Insured; and
- c. The fair rental value of any portion of such property which is occupied by the Insured.

Due consideration will be given to the historic rental income and expenses prior to the loss and the probable rental income and expenses thereafter.

7. **ROYALTIES:** This **Policy** is extended to cover actual loss of income sustained by the Insured under a royalty, licensing fee or commission agreement between the Insured and another party during the Period of Interruption arising out of direct physical loss or damage by a **Covered Cause of Loss** during the term of this **Policy** to real or personal property of the type insured of such other party.

If a **Covered Cause of Loss** results in coverage under more than one Additional Time Element Coverage, the Company will only pay for loss under one of them, whichever is greater.

D. **ADDITIONAL EXCLUSIONS:** Time Element Coverage under this **Policy** does not cover:

1. **IDLE PERIODS** - Any loss during any period in which goods would not have been produced, or business operations or services would not have been maintained, for any reason other than direct physical loss or damage from a **Covered Cause of Loss** to which this coverage applies.
2. **REMOTE LOSS** -
 - a. Any increase in loss due to the suspension, cancellation or lapse of any lease, contract, license, order or loss of market;
 - b. Any loss due to fines or damages for breach of contract or for late or non-completion of orders or penalties of whatever nature; or
 - c. Any increase in loss due to interference at the Insured's premises or the supplier's or customer's premises by strikers or other persons with rebuilding, repairing, or replacing the property damaged or destroyed, or with the resumption or continuation of business, or with the re-occupancy of such premises.

Nor shall the Company be liable for any other consequential or remote loss, other than as specifically provided in this TIME ELEMENT COVERAGE Section of this **Policy**.

3. **FINISHED GOODS** - Any loss resulting from loss or damage to **Finished Goods** nor for the time required for their reproduction.
4. **TRANSIT** - Any loss resulting from loss or damage to property in transit.
5. **CONTRACTOR'S OR VENDOR'S INTERESTS** - Any loss resulting from loss or damage to contractor's or vendor's interests in Insured Property.

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SECTION V – ADDITIONAL COVERAGES

All Additional Coverages are subject to the terms and conditions of this **Policy**, including but not limited to, the Sublimits of Liability corresponding to each such Additional Coverage and any other applicable Sublimits or Deductibles shown elsewhere in this **Policy**. The Sublimits corresponding to each such Additional Coverage are the maximum amount the Company will pay for all loss or damage arising out of such specified Additional Coverages. Such Sublimits are part of, and not in addition to the **Policy Limit** and the Specified Covered Causes of Loss Sublimits shown in Item **6.A.1.** of the Policy Declarations or elsewhere in this **Policy**.

In addition, the maximum amount that the Company will pay for each **Occurrence** for all loss or damage with respect to **Miscellaneous Unnamed Locations**, Newly Acquired Property or for locations for which coverage is provided under the ERRORS OR OMISSIONS Additional Coverage is the corresponding applicable Sublimit of Liability for MISCELLANEOUS UNNAMED LOCATIONS, NEWLY ACQUIRED PROPERTY or ERRORS OR OMISSIONS Additional Coverages as shown in the Policy Declarations for each such Additional Coverage regardless of any other coverage, Additional Coverages or Additional Time Element Coverages.

- A. **ACCOUNTS RECEIVABLE:** This **Policy** covers any shortage in the collection of Accounts Receivable resulting from direct physical loss or damage by a **Covered Cause of Loss** to Accounts Receivable records.

This extension of coverage does not apply to loss due to:

1. Bookkeeping, accounting or billing errors and omissions; and
2. Alteration, corruption, erasure, falsification, manipulation, concealment, destruction, or disposal of Accounts Receivable records committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property, but only to the extent of such wrongful giving, taking, obtaining or withholding.

- B. **DEBRIS REMOVAL:** This **Policy** covers the necessary and reasonable expense to remove debris consisting of Insured Property from the **Insured Location(s)** remaining as a result of direct physical loss or damage from a **Covered Cause of Loss** when the Insured gives written notice of such direct physical loss or damage to the Company within one hundred eighty (180) days after such loss or damage. The Company shall not be liable for any debris removal cost or expense associated with removing contaminated or polluted uninsured property, nor the **Pollutants or Contaminants** therein or thereon, whether or not such contamination results from a **Covered Cause of Loss**.

- C. **DEMOLITION AND INCREASED COST OF CONSTRUCTION:** In the event of direct physical loss or damage by a **Covered Cause of Loss** to a building at an **Insured Location** that results in the enforcement of any law, ordinance, governmental directive or standard in effect at the time of loss or damage regulating the construction, repair or use and occupancy of the property, the Company shall pay up to the applicable Sublimits set forth in the Policy Declarations as follows:

1. **Demolition Coverage A:** In accordance with the VALUATION Section of this **Policy**, the cost to replace the undamaged portion of the damaged building as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged portion of the same building;
2. **Demolition Coverage B:** The cost to demolish and clear the site of the undamaged portion of the damaged building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged portion of the same building; and

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3. Demolition Coverage C: The increased cost of repair or replacement of the damaged building and undamaged portion of the same building, limited to the cost that would have been incurred in order to comply with the minimum requirements of such law or ordinance regulating the repair or replacement of the damaged building. However, the Company shall not be liable for any such increased cost unless the damaged building is actually repaired or replaced.

The Company shall not be liable for any cost set forth above:

- a. Necessitated by the enforcement of any law or ordinance regulating any form of **Pollutants or Contaminants**; or
 - b. Incurred due to any law or ordinance with which the Insured was legally obligated to comply prior to the time of the direct physical loss or damage.
- D. ELECTRONIC DATA AND MEDIA: This **Policy** is extended to cover direct physical loss or damage to **Electronic Data and Media** by a **Covered Cause of Loss**. However, the Company shall not be liable for any loss or damage arising out of **Unauthorized Access, Unauthorized Use, Denial of Service Attack, Malicious Code, Magnetic Damage to Electronic Data and Media** or **Vandalism and Malicious Mischief**.
- E. ERRORS OR OMISSIONS: This **Policy** is extended to cover direct physical loss or damage by a **Covered Cause of Loss** at locations within the **Coverage Territory** that are owned, leased or operated by the Insured, if such loss or damage is not payable under this **Policy** solely due to:
- 1. Any error or unintentional omission in the description of the address of the property whether made at the inception of the Policy Period or subsequent thereto; or
 - 2. Failure through any error or unintentional omission to:
 - a. Include any location of the Insured at the inception of the **Policy**; or
 - b. Report any newly acquired location before the period of automatic coverage expires under the NEWLY ACQUIRED PROPERTY Additional Coverage.

This **Policy** covers such direct physical loss or damage, to the extent it would have provided coverage had such error or omission not been made.

It is a condition of this Additional Coverage that any error or omission be reported by the Insured to the Company when discovered and that the Insured shall pay any additional premium due.

No coverage is provided at any location for new buildings, additions or alterations in the course of construction if the Insured has failed to report such location due to an error or omission (other than inadvertent error or unintentional omission in the description of the address of the property).

There is no coverage under this Subparagraph for loss or damage which is covered under the MISCELLANEOUS UNNAMED LOCATIONS or NEWLY ACQUIRED PROPERTY Additional Coverages.

- F. EXPEDITING EXPENSES: This **Policy** is extended to cover reasonable and necessary expediting expenses to:
- 1. Make temporary repairs to Insured Property; or
 - 2. Expedite the permanent repair or replacement of Insured Property;

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that has sustained direct physical loss or damage by a **Covered Cause of Loss**.

- G. **FINE ARTS:** This **Policy** is extended to cover direct physical loss or damage to **Fine Arts** by a **Covered Cause of Loss** at an **Insured Location**. However, no coverage is provided for breakage unless such breakage is caused by a **Defined Peril**. The Company shall not be liable for loss or damage resulting from restoring, repairing or retouching **Fine Arts**.
- H. **FIRE BRIGADE CHARGES AND EXTINGUISHING EXPENSES:** This **Policy** covers the following expenses resulting from a **Covered Cause of Loss** at an **Insured Location**:
1. Fire brigade charges and extinguishing expenses which the Insured incurs;
 2. Loss and disposal of fire extinguishing materials expended.

There is no coverage for any costs incurred as a result of a false alarm.

- I. **LEASEHOLD IMPROVEMENTS & BETTERMENTS:** This **Policy** is extended to cover the value of undamaged tenant's improvements and betterments when the Insured's lease is cancelled by the Insured tenant or the Insured's lessor acting under a valid condition of the lease due to direct physical loss or damage to building or personal property caused by or resulting from a **Covered Cause of Loss** at an **Insured Location**. This Additional Coverage is subject to the Leasehold Interest Sublimit set forth in the Policy Declarations.
- J. **LEASEHOLD INTEREST:** If Insured Property is: (1) rendered wholly or partially untenable by direct physical loss or damage to Insured Property by a **Covered Cause of Loss** during the Policy Period and (2) the Insured's lease is cancelled by a party, other than the Named Insured or an entity that has a common ownership with the Named Insured, in accordance with the conditions of the lease, then this **Policy** is extended to cover **The Interest of the Insured as Lessee** or **The Interest of the Insured as Lessor**, whichever is applicable, but only for the first three months succeeding the date of the loss and the **Net Lease Interest** shall be paid for the remaining months of the unexpired lease.

Recovery under this Additional Coverage shall be the pro-rata proportion from the date of loss to expiration date of the lease (to be paid without discount) on the Insured's interest in:

1. The amount of bonus paid by the Insured for the acquisition of the lease not recoverable under the terms of the lease; and
2. The amount of advance rent paid by the Insured and not recoverable under the terms of the lease.

The following terms, wherever used in this Subparagraph, shall mean:

1. **The Interest of the Insured as Lessee** is defined as:
 - a. The excess of the **Rental Value** of similar premises over the actual rent payable by the lessee (including any maintenance or operating charges paid by the lessee) during the unexpired term of the lease; and
 - b. The rental income earned by the Insured from sublease agreements, to the extent not covered under any other section of this **Policy**, over and above the rental expenses specified in the lease between the Insured and the lessor.
2. **The Interest of the Insured as Lessor** is defined as the difference between the rents payable to the Insured under the terms of the lease in effect at the time of loss and the actual rent

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collectible by the Insured during the unexpired term of the lease provided the lease is canceled by the lessee, to the extent not covered under any other section of this **Policy**.

3. **Net Lease Interest** is the discounted amount that at 6% interest would be equivalent to the Insured receiving the full amount of **The Interest of the Insured as Lessee or Lessor**, whichever is applicable, for each separate month of the unexpired term of the lease.

The Company shall not be liable for any increase of loss which may be occasioned by the suspension, lapse or cancellation of any lease or by the Named Insured exercising any option to cancel the lease. Furthermore, the Named Insured shall use due diligence including all things reasonably practicable to diminish loss under this Additional Coverage.

- K. **LIMITED POLLUTION COVERAGE:** This **Policy** is extended to cover the reasonable and necessary expense incurred to remove, dispose of, or clean-up the actual presence of **Pollutants or Contaminants** from land and water at an **Insured Location** when such land or water is contaminated or polluted due to a **Covered Cause of Loss** at that **Insured Location**. There will be no coverage unless such expenses are reported to the Company within one hundred eighty (180) days after the date of such **Covered Cause of Loss**.
- L. **MISCELLANEOUS UNNAMED LOCATIONS:** This **Policy** is extended to cover direct physical loss or damage by a **Covered Cause of Loss** to property of the type insured under this **Policy** at **Miscellaneous Unnamed Locations** to the extent of the Insured's insurable interest. No coverage is provided for new buildings, additions or alterations in the course of construction under this MISCELLEANOUS UNNAMED LOCATIONS Additional Coverage.

There is no coverage under this Subparagraph for loss or damage which is covered under the ERRORS OR OMISSIONS or NEWLY ACQUIRED PROPERTY Additional Coverages.

- M. **NEW CONSTRUCTION AND ADDITIONS:** This **Policy** is extended to cover:
1. Direct physical loss or damage by a **Covered Cause of Loss** to: (i) new buildings, structures and/or additions while in the course of construction at an **Insured Location** and (ii) materials, equipment and supplies to be permanently installed in such new buildings, structures and/or additions at an **Insured Location**; and
 2. **Gross Earnings** loss and **Soft Costs** incurred by the Insured during the Period of Interruption as set forth in Subparagraph **IV.A.** if such property in Subparagraph **M.1.** above sustains direct physical loss or damage by a **Covered Cause of Loss**.
 3. Additional expenses which are incurred by the Insured for the purpose of continuing as nearly as practicable the scheduled progress of undamaged work, but only when such scheduled progress is impaired by direct physical loss or damage by a **Covered Cause of Loss** to new buildings, structures and/or additions while in the course of construction.
- N. **NEWLY ACQUIRED PROPERTY:** This **Policy** covers direct physical loss or damage by a **Covered Cause of Loss** to real and personal property of the type insured under this **Policy** that is rented, leased, purchased or acquired by the Insured after the inception date of this **Policy** and within the **Coverage Territory**. Coverage under this Additional Coverage ceases at the earliest of the following dates:
1. Ninety (90) days from the date of rental, lease, purchase or acquisition of such property;
 2. When such newly acquired property is bound by the Company;

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3. The Company notifies the Insured that it will not bind the coverage for such property; or
4. When this **Policy** is cancelled or expires.

There is no coverage under this Subparagraph for loss or damage which is covered under the ERRORS OR OMISSIONS or MISCELLANEOUS UNNAMED LOCATIONS Additional Coverages.

- O. **OUTDOOR PROPERTY:** This **Policy** is extended to cover direct physical loss or damage to **Outdoor Property** at the **Insured Location**, but only for loss or damage caused directly by a **Defined Peril** (other than **Windstorm or Hail**), not otherwise excluded.
- P. **PAIRS OR SETS:** If two or more insured components or parts that comprise Insured Property are necessary for a complete object, then this **Policy** covers reduction in value of insured components or parts of such complete object due to direct physical loss or damage by a **Covered Cause of Loss** to the other insured components or parts of such complete object.
- Q. **PROFESSIONAL FEES:** This **Policy** is extended to include reasonable and necessary expenses incurred by the Insured for preparing and certifying particulars or details of the Insured's claim required by the Company for which the Company has accepted liability in order to determine the amount of a covered loss payable under this **Policy**. This **Policy** is also extended to include reasonable and necessary fees charged by any independent property manager for handling the claim.

There shall be no coverage under this **Policy** for expenses incurred by the Insured in utilizing the services of attorneys, public adjusters, insurance agents or brokers, or any of their subsidiary, related or associated entities, except that coverage is provided for expenses incurred by the Insured for its broker's forensic accounting units. This **Policy** also excludes any fees or costs for consultation on coverage or negotiation of claims.

- R. **PROPERTY REMOVED FROM INSURED LOCATIONS:** This **Policy** is extended to cover direct physical loss or damage to covered personal property of the Insured by a **Covered Cause of Loss** at any location within the **Coverage Territory** when such property is removed from the **Insured Locations** for the purpose of being repaired or serviced, excluding:
1. Personal property insured under another insurance policy; or
 2. Personal property removed from the **Insured Locations** for normal storage or processing or preparation for sale or delivery.
- S. **SERVICE INTERRUPTION:** This **Policy** is extended to cover physical loss or damage to Insured Property and actual loss of income and **Extra Expense** sustained by the Insured arising from an interruption in: (1) incoming electricity, gas, water, steam or refrigeration; (2) the Insured's data, voice or video service; or (3) outgoing sewerage, caused by a **Covered Cause of Loss** to a service provider's property of the type insured under this **Policy** or to transmission, distribution or communication lines, situated outside the **Insured Location**.

This Additional Coverage for SERVICE INTERRUPTION shall also apply to such equipment of others situated on the **Insured Locations** but such equipment shall not be subject to the Service Interruption Sublimit set forth in the Policy Declarations.

There shall be no loss payable under this Additional Coverage unless the interruption exceeds the Qualifying Period shown in the Policy Declarations. If the loss exceeds the Qualifying Period then loss shall be measured from date and time of the interruption of service. However, such Qualifying Period does not apply if there is physical loss or damage to Insured Property caused by the

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interruption. The service interruption ends when: (1) incoming electricity, gas, fuel, steam, water or refrigeration; (2) the Insured's data, voice or video service; or (3) outgoing sewerage service; is restored.

This period of time shall not be cut short by the end of the Policy Period.

Notwithstanding the foregoing, the Company will not pay for any interruption intentionally caused by the Insured or any service provider.

- T. **SPOILAGE:** This **Policy** is extended to cover the spoilage of **Perishable Goods**, including while in transit, by a **Covered Cause of Loss**. Such physical loss or damage includes spoilage of the Insured's **Perishable Goods** due to contamination from the release of refrigerant including, but not limited to, ammonia.
- U. **TRANSIT:** This **Policy** is extended to cover direct physical loss or damage to Insured Property by a **Covered Cause of Loss**, while such property is in transit, including:
1. Personal property shipped to customers on F.O.B., C & F, or similar terms. The Insured's contingent interest in such shipments is admitted;
 2. The interest of the Insured in, and legal liability for personal property of others in the actual or constructive custody of the Insured; and
 3. Personal property of others sold by the Insured for which the Insured has agreed prior to loss to insure during the course of delivery.

Subject to the terms and conditions of this **Policy**, this **TRANSIT** Additional Coverage attaches from the time the property leaves the original point of shipment for the commencement of transit and covers thereafter continuously in the due course of transit until delivered at the destination, provided that the original point of shipment and the point of destination are within the **Coverage Territory**.

Permission is granted to the Insured without prejudice to this insurance to accept ordinary bills of lading used by carriers, including released and/or undervalued bills of lading and/or shipping or messenger receipts. The Insured may waive subrogation against railroads under sidetrack agreements, but the Insured shall not enter into any special agreement with carriers releasing them from their common law or statutory liability.

The following additional exclusions apply to this Additional Coverage:

1. Samples in the custody of salespersons or selling agents;
2. Property insured under import or export ocean cargo policies. However, coverage on export shipments not insured under ocean cargo policies does not extend beyond the time when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not insured under ocean cargo policies does not attach until after discharge from overseas vessels or aircraft;
3. Waterborne shipments via the Panama Canal or waterborne to and from the United States mainland, its territories and possessions, Alaska, Puerto Rico and Hawaii;
4. Shipments made by air unless via regularly scheduled passenger airlines or air freight carriers;
5. Property shipped by mail;

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6. Property of others, including the Insured's legal liability therefor, hauled on vehicles owned, leased, or operated by the Insured when acting as a common or contract carrier as defined by the law or regulatory agencies in the applicable jurisdiction; or
7. Any transporting vehicle or conveyance.

This Additional Coverage does not provide any Time Element coverage.

These additional exclusions for transit also apply to the extent that any Additional Coverages provide transit coverage.

If another Additional Coverage, other than this TRANSIT Additional Coverage, provides coverage for a specific type of Insured Property while such property is in transit, then loss or damage for such property shall be subject to the Sublimit of Liability applicable to such Additional Coverage and no coverage for such property shall be provided under this TRANSIT Additional Coverage.

- V. **VALUABLE PAPERS AND RECORDS:** This **Policy** is extended to cover direct physical loss or damage to **Valuable Papers and Records** by a **Covered Cause of Loss**.

SECTION VI – CONDITIONS

- A. **ABANDONMENT:** There can be no abandonment to the Company of any property.
- B. **ADJUSTMENT OF LOSSES and FIRST NAMED INSURED:** Loss or damage shall be adjusted with and payable to the First Named Insured, subject to any certificates of insurance on file with the Company which require payment to a loss payee or mortgageholder.

If this **Policy** insures more than one entity, the First Named Insured is authorized to act on behalf of all other Insureds with respect to their rights, obligations and duties under this **Policy**. Payment of loss or return premium under this **Policy** to the First Named Insured shall satisfy the Company's obligations with respect to all Insureds.

- C. **APPRAISAL:** If the Company and the Insured disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If the appraisers cannot agree on an umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the replacement cost and actual cash value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, it is without prejudice to the Company's rights under the terms and conditions of the **Policy** including the Company's right to deny the claim.

- D. **ASSIGNED ADJUSTER:** It is hereby agreed that the Assigned Adjuster set forth in the Policy Declarations, if any, shall be designated as the Account Claim Adjuster for all claims reported under this **Policy**. If the Account Claim Adjuster fails to comply with the Company's "Claim Handling Guidelines for Independent Adjusters Protocol" or similar guidelines, the Company reserves the right to select an alternative claim adjuster. The Account Claim Adjuster may not re-assign any claim(s) without the prior approval of the Company. The Account Claim Adjuster is not a party to this contract.

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The Company retains the right to terminate the Account Claim Adjuster for lack of compliance with the aforementioned Guidelines Protocol or for lack of performance at the discretion of the Company. In such event, or in the event that the Account Claim Adjuster becomes unwilling or unable to perform, a replacement Account Claim Adjuster will be selected by the mutual agreement of the Company and Named Insured.

- E. **ASSIGNMENT:** The Insured may not assign this **Policy** without the Company's prior written consent.
- F. **BRANDS AND LABELS:** If branded or labeled merchandise covered by this **Policy** is physically damaged and the Company elects to take all or any part of such merchandise at the value established by the terms of this **Policy**, the Insured may, at its own expense, stamp "SALVAGE" on the merchandise or its containers, or may remove or obliterate the brands or labels, if such stamp, removal or obliteration will not physically damage the merchandise, but the Insured must re-label the merchandise or containers in compliance with the requirements of law.
- G. **CANCELLATION:**
1. This **Policy** can be canceled by the First Named Insured by providing the Company with:
 - a. An advance written request for cancellation stating when the cancellation shall be effective; and
 - b. The original **Policy** or a lost policyholder release signed by the First Named Insured or its legal representative.
 2. This **Policy** may be canceled by the Company by giving written notice to the First Named Insured stating when, not less than sixty (60) days thereafter, or ten (10) days thereafter for non-payment of premium, such cancellation shall be effective. If notice is mailed, proof of mailing will be sufficient proof of notice. Payment or tender of any unearned premium due to the First Named Insured shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made in due course.
 3. If the Company cancels, any refund due will be pro-rata. If the First Named Insured cancels, any earned premium due will be calculated in accordance with the customary short-rate table and procedure, subject to the Minimum Earned Premium shown in the Policy Declarations.
- H. **CONTROL OF DAMAGED MERCHANDISE:** This **Policy** gives the Insured control of physically damaged **Finished Goods** that have been manufactured by or for the Insured, provided that such goods have been physically damaged as a result of direct physical loss or damage by a **Covered Cause of Loss**. Under such circumstances, the Insured shall have full rights to the possession and control of all such physically damaged **Finished Goods**, provided that the Insured performs or has proper testing performed to demonstrate what property is physically damaged. The Insured, exercising reasonable judgment, will decide if the physically damaged **Finished Goods** can be reprocessed or sold. Physically damaged **Finished Goods** judged by the Insured to be fit for reprocessing or for selling will be sold or otherwise disposed of and the salvage proceeds shall be handled in accordance with the SALVAGE AND RECOVERIES Condition of this Section. These rights and obligations also are extended to merchandise that the Insured is contractually obligated by the manufacturer or designer to exercise control of the damaged merchandise as long as such obligation is in writing prior to the loss or damage.
- I. **CURRENCY:** Any amount of money specified in this **Policy**, including **Policy Limit**, Deductibles and Premium, shall be considered to be in United States dollars.

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- J. **DIVISIBLE CONTRACT:** Subject to the **MISREPRESENTATION AND FRAUD** Condition of this Section, if any **Insured Location** includes two or more buildings or the contents of two or more buildings, the breach of any condition of this **Policy** in respect to any one or more of the buildings insured or containing the Insured Property, shall not prejudice the right to recover for direct physical loss or damage by a **Covered Cause of Loss** occurring in any building insured or containing the Insured Property where, at the time of such loss or damage, a breach of condition does not exist.
- K. **ECONOMIC AND TRADE SANCTIONS:** The Company shall not be deemed to provide cover and the Company shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Company, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or the United States of America.
- L. **INCREASE IN HAZARD:** The Company is not liable for any loss at an **Insured Location** to the extent that such loss is a result of or in connection with a material increase in hazard over which the Insured has control or knowledge. Any material increase in hazard at one or more **Insured Locations** will not affect coverage at other **Insured Locations** where, at the time of loss or damage, the increase in hazard does not exist.
- M. **INSPECTION AND AUDIT:** The Company, at all reasonable times during this Policy Period, shall be permitted but not obligated to inspect the property insured by this **Policy**. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute any undertaking by the Company, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe or healthful or that they comply with any law, rule or regulation.
- The Company may also examine and audit the Insured's books and records at any reasonable time during the Policy Period and within one year after the **Policy** termination, as long as such examination and audit relate to the subject matter of this **Policy**.
- N. **MISREPRESENTATION AND FRAUD:** This entire **Policy** shall be voidable by the Company if, whether before or after a loss, the Insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the Insured therein, or in case of any fraud, or false swearing by the Insured relating thereto.
- O. **OTHER INSURANCE/EXCESS INSURANCE/UNDERLYING INSURANCE:** In the event there is other insurance covering loss or damage insured under this **Policy**, then this **Policy** shall apply only as excess and in no event as contributory insurance (unless this **Policy** is specifically written to be primary or contributory insurance), and then only after all other insurance has been exhausted, whether or not such insurance is collectible. Permission is granted for the Insured to purchase excess insurance over the limits provided by this **Policy**, and underlying insurance on all or any part of the Deductibles of this **Policy**.
- P. **PROTECTION AND PRESERVATION OF PROPERTY:** In case of actual or imminent direct physical loss or damage by a **Covered Cause of Loss**, the expenses incurred by the Insured in taking reasonable and necessary actions for the temporary protection and preservation of Insured Property shall be included in the physical loss or damage amount otherwise recoverable under this **Policy**, if any, but shall be subject to the applicable Deductible, Sublimit of Liability and the **Policy Limit**.

- Q. REINSTATEMENT OF LIMITS: Except for any **Covered Cause of Loss** which is subject to an Annual Aggregate limit or Annual Aggregate Sublimit of Liability, payment of a claim will not reduce the amount payable under this **Policy** for any subsequent covered loss.
- R. REQUIREMENTS IN CASE OF LOSS: The Insured shall:
1. Give prompt written notice of any loss or damage to the Company;
 2. Promptly contact the applicable authority having jurisdiction in the event a law has been broken, and promptly file a written report with such authority;
 3. Protect the property from further loss or damage;
 4. Separate the damaged and undamaged personal property;
 5. Maintain such property in the best possible order;
 6. Furnish a complete inventory of the lost, destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed;
 7. Furnish all other documents or insurance policies that the Company may reasonably require;
 8. Allow the Company to access and inspect any of the damaged or undamaged property;
 9. Submit to examination under oath at such times as may be reasonably required about any matter relating to this insurance or any claim;
 10. Cooperate with the Company in all aspects of any claim and provide the Company with any additional information that it requires; and
 11. Within sixty (60) days after the Company's request, the Insured shall provide the Company with a proof of loss, signed and sworn to by the Insured, stating the knowledge and belief of the Insured as to the following:
 - a. The time and origin of the loss;
 - b. The interest of the Insured and of all others in the property;
 - c. The value of each item thereof determined in accordance with the valuation provisions of this **Policy** and the amount of loss thereto and all encumbrances thereon;
 - d. All other contracts of insurance, whether collectible or not, covering any of said property; and
 - e. Any changes in the title, use, occupation, location, possession or exposures of said property subsequent to the issuance of this **Policy**, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss whether or not it then stood on leased ground.
- S. SALVAGE AND RECOVERIES: All salvages, recoveries and payments (other than proceeds from subrogation and underlying insurance), will accrue entirely to the benefit of the Company until the sum paid or payable by the Company is recovered or reduced as applicable.
- T. SERVICE OF SUIT: In the event of the Company's failure to pay any amount claimed to be due hereunder, the Company, at the Insured's request, will submit to the jurisdiction of a court of

competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon General Counsel, Legal Department, AIG Specialty Insurance Company, 175 Water Street, 18th Floor, New York, New York 10038 or his or her representative, and that in any suit instituted against the Company upon this **Policy**, the Company will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, the Company hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successors in office as the Company's true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by the Insured or on the Insured's behalf or any beneficiary hereunder arising out of this **Policy** of insurance and hereby designates the above named General Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

- U. **SETTLEMENT OF CLAIMS:** The amount of loss for which the Company may be liable shall be payable within thirty (30) days after proof of loss herein required is received and accepted by the Company and ascertainment of the amount of loss is made either by agreement between the First Named Insured and the Company or an amount is determined by binding Appraisal in accordance with the provisions of this **Policy**.

The Company shall have the option to take all or any part of the property at the agreed or appraised value. Alternatively, the Company shall have the option to repair, rebuild or replace the property physically lost or damaged with other of like kind and quality, within a reasonable time, on giving notice of its intention to do so up to thirty (30) days after receipt of the proof of loss herein required.

- V. **SUBMISSION OF VALUES:** The Insured shall provide to the Company at **Policy** inception and each subsequent anniversary date of this **Policy**, a Statement of Values which consists of the separate amounts for real property, personal property and Time Element values for each **Insured Location** calculated on the same basis as valuation under this **Policy**.

The property values shall be shown on a replacement cost basis for property which is covered on a replacement cost basis and on an actual cash value basis for other property. The value of stock and supplies shall be determined in accordance with the VALUATION Section of this **Policy** and shall be based on the approximate average of the stock and supplies on hand during the twelve (12) months immediately preceding the annual review of values. Time Element values (if applicable) shall be forwarded in accordance with the terms of the applicable Time Element provisions and projected twelve (12) months into the future.

Upon inception of this **Policy** and at each anniversary date, the Annual Premium shall be due and payable to the Company. Receipt of said Statement of Values by this Company shall be considered as authorization by the Insured for the Company to calculate, at its discretion, premiums due for subsequent annual renewal(s).

The premium for this **Policy** is based upon the Statement of Values on file with the Company.

- W. **SUBROGATION:** The Company may require from the Insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by the Company, but the

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Company shall not acquire any rights of recovery which the Insured has expressly waived in writing prior to loss nor shall such waiver in writing affect the Insured's rights under this **Policy**.

Any recovery as a result of subrogation proceedings arising out of an **Occurrence**, after expenses incurred in such subrogation proceedings are deducted, shall accrue to the Insured in the proportion that the Deductible amount and/or any provable uninsured loss amount bears to the entire provable loss amount.

The Insured will cooperate with the Company and, upon the Company's request and expense will:

1. Attend hearings and trials; and
 2. Assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and conducting suits.
- X. **SUIT AGAINST COMPANY:** No suit, action or proceeding for the recovery of any claim under this **Policy** shall be sustainable in any court of law or equity unless the Insured shall have fully complied with all the requirements of this **Policy**, nor unless the same be commenced within twenty four (24) months following the date of the loss, provided that if under the laws of the applicable jurisdiction such time limitation is invalid, then any such claims shall be void unless such action, suit or proceedings is commenced within the shortest applicable limit of time permitted by the laws of such jurisdiction.
- Y. **SUSPENSION:** Upon the discovery of a dangerous condition with respect to **Covered Equipment**, any representative of the Company may immediately suspend the insurance against loss from an **Accident** to such **Covered Equipment** or part thereof by notifying the Insured's representative at the **Insured Location** of such dangerous condition. Written notice of the suspension will also be mailed or delivered to the Named Insured at the address of the Named Insured shown in the Policy Declarations. The insurance so suspended may be reinstated by the Company, but only by endorsement to this **Policy**. The Insured shall be allowed a pro-rata return of the unearned portion of the premium paid for such suspended insurance.
- Z. **TITLES OF PARAGRAPHS:** The titles in this **Policy** are solely for reference and shall not in any way affect the provisions to which they relate.
- AA. **VACANCY:** The Insured has permission to cease business operations or to have any insured building remain vacant or unoccupied, provided that fire protection, security and alarm services are maintained and written notice is given to the Company prior to the one-hundred twentieth (120th) consecutive day of cessation of business operations, vacancy or lack of occupancy. The insured building is considered vacant or unoccupied when:
1. Such building does not contain adequate Insured Property to conduct customary business operations; or
 2. Such building is no longer used by the Insured, a lessee or a sub-lessee to conduct customary business operations;

provided however, this provision shall not apply to any time period when customary business operations are suspended due to circumstances that are usual to such business operations.

SECTION VII – POLICY DEFINITIONS

- A. **Accident** means a fortuitous event that causes direct physical loss or damage to **Covered Equipment**. The event must be one of the following:

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1. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 2. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 3. Explosion of steam boilers, steam turbines, steam engines or steam pipes owned or leased by the Insured, or operated under the control of the Insured, except explosion of accumulated gases or unconsumed fuel;
 4. Loss or damage to steam boilers, steam turbines, steam engines or steam pipes caused by or resulting from any condition or event inside such equipment; or
 5. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
- B. **Aircraft or Vehicle Impact** means physical contact of an aircraft including a drone, spacecraft, self-propelled missile or objects falling therefrom, or of a vehicle or an object thrown up by a vehicle.
- C. **Average Daily Value (ADV)** means the **Gross Earnings** that would have been earned during the Period of Interruption had no loss or damage occurred, divided by the number of working days during that Period of Interruption. No reduction shall be made for the **Gross Earnings** not being earned, or in the number of working days, because of the loss or damage or any other scheduled or unscheduled shutdowns during the Period of Interruption. The **ADV** applies to the **Gross Earnings** of the entire **Insured Location**, whether or not the loss affects the entire **Insured Location**. If more than one **Insured Location** is included in the valuation of the loss, the **ADV** will be the combined value of all affected **Insured Locations**. The number of days for **ADV** indicated in the Policy Declarations will be multiplied by the **ADV** as determined above. The result shall be used as the applicable Deductible.
- D. **Cloud Computing Service** means a service: (i) in the business of storing, managing and processing electronic data for which the **Insured** has a written contract and (ii) that provides access to and use of: software and/or a network of remote servers hosted away from an **Insured Location** to store, manage or process such data.
- E. **Collapse** means an abrupt falling down or caving in of a building or any part of a building or structure.
- F. **Corruption, Erasure or Alteration** means **Electronic Data and Media** that has been corrupted, destroyed or deleted such that the **Electronic Data and Media** can no longer be accessed or used for its intended purpose.
- G. **Coverage Territory** means the coverage territory shown in Item 4. of the Policy Declarations.
- H. **Covered Cause of Loss** means a peril or other type of loss, not otherwise excluded under this Policy.
- I. **Covered Equipment** means the following:
1. Equipment that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
 2. Equipment which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

The following is not **Covered Equipment**:

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1. Structure, foundation, cabinet, compartment or air supported structure or building;
 2. Insulating or refractory material;
 3. Sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
 4. Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 5. Vehicle or any equipment mounted on a vehicle;
 6. Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
 7. Dragline, excavation or construction equipment; or
 8. Equipment manufactured by the Insured for sale.
- J. **Defined Peril** means fire; lightning; explosion; **Windstorm or Hail; Smoke; Aircraft or Vehicle Impact; Riot, Strike or Civil Commotion; Vandalism and Malicious Mischief; Collapse or Leakage From Fire Protection Equipment.** **Defined Peril** also includes **Equipment Breakdown**, provided that **Equipment Breakdown** is covered under this **Policy**.
- K. **Denial of Service Attack** means an attack that sends an excessive volume of electronic data to computer hardware, software or any components thereof which prevents those who are authorized to do so from gaining access to or using such computer hardware, software or any components thereof.
- L. **Earth Movement** means any natural or manmade:
1. Earthquake, including any earth sinking, rising or shifting related to such event;
 2. Landslide, including any earth sinking, rising or shifting related to such event;
 3. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
 4. Earth sinking, rising, or shifting, including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of real or personal property. Soil conditions include, but are not limited to, contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface;
 5. Shocks, tremors, mudslide, mud flow, rock falls, volcanic eruption, sinkhole collapse or subsidence; or
 6. Tsunami arising out of any of the above.
- M. **Earthquake Zones:** Designated Earthquake Zones as reflected in this **Policy** shall be the following:
1. **Pacific Northwest Earthquake Zone** means the following counties in Washington state:
Clallam, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston and Whatcom.
 2. **New Madrid Earthquake Zone** means the following counties (unless otherwise stated) within the following states:

Arkansas: Counties of Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Mississippi, Poinsett, Randolph and Sharp;

Illinois: Counties of Alexander, Bond, Clinton, Franklin, Hardin, Jackson, Jefferson, Johnson, Madison, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Saline, St. Clair, Union, Washington and Williamson;

Indiana: **Counties of** Gibson, Pike, Posey, Vanderburgh and Warrick;

Kentucky: Counties of Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Livingston, Marshall and McCracken;

Mississippi: Counties of Bolivar, Coahoma, Desoto, Marshall, Tate and Tunica;

Missouri: Counties of Bollinger, Butler, Cape Girardeau, Dunklin, Franklin, Iron, Jefferson, Madison, Mississippi, New Madrid, Pemiscot, Perry, Reynolds, Scott, Stoddard, St. Charles, St. Francois, St. Genevieve, St. Louis, Warren, Washington, Wayne; and the City of St. Louis; and

Tennessee: Counties of Crockett, Dyer, Fayette, Gibson, Hardeman, Haywood, Lake, Lauderdale, Madison, Obion, Shelby and Tipton.

N. Electronic Data and Media consists of:

1. **Electronic Data**, meaning data, messages, information, coding, programs, instructions or software stored in a form suitable for communications, storage or processing by electronic, electromechanical, electromagnetic data processing or electronically controlled production equipment; and
2. **Media**, meaning the electronic storage media upon which **Electronic Data** is stored.

Electronic Data and Media does not include **Valuable Papers and Records**.

O. Equipment Breakdown means damage that is the direct result of an **Accident**.

P. Fine Arts means paintings, etchings, pictures, tapestries, rare or art glass, art glass windows, valuable rugs, statuary, sculptures, antique furniture, antique jewelry, bric-a-brac, porcelains and similar property of rarity, historical value, or artistic merit, excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, money and securities. **Fine Arts** does not include any item which would qualify as **Valuable Papers and Records**.

Q. Finished Goods means stock manufactured or processed by the Insured, which is in final packaging and ready for shipment or sale to the Insured's customers.

R. Flood means, whether natural or manmade, flood waters, surface water, waves, tide or tidal water, overflow or rupture of a dam, levy, dike or other surface containment structure, storm surge, the rising, overflowing or breaking of boundaries of natural or manmade bodies of water, or the spray from any of the foregoing, all whether driven by wind or not. A tsunami shall not be considered a **Flood**.

S. Fungus, Mold or Spore means:

Fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including **Mold(s)**, rusts, mildews, yeast, smuts and mushrooms.

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Mold includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s).

Spore includes any dormant or reproductive body produced by or arising or emanating out of any **Fungus**, **Mold(s)**, mildew, plants, organisms or microorganisms.

- T. **Hail** means precipitation consisting of concentric layers of clear ice or compact snow.
- U. **High Hazard Hail Zones**: Designated High Hazard Hail Zones as reflected in this **Policy** shall be the following:

1. **Hail Zone 1** means the following counties (unless otherwise stated) within the following states:

Colorado: Counties of Adams, Arapahoe, Baca, Bent, Cheyenne, Crowley, Elbert, Kiowa, Kit Carson, Lincoln, Logan, Morgan, Phillips, Prowers, Sedgwick, Washington, Weld and Yuma;

Kansas: Counties of Barber, Barton, Butler, Cheyenne, Clark, Comanche, Cowley, Decatur, Dickinson, Edwards, Ellis, Ellsworth, Finney, Ford, Gove, Graham, Grant, Gray, Greeley, Hamilton, Harper, Harvey, Haskell, Hodgeman, Jewell, Kearny, Kingman, Kiowa, Lane, Lincoln, Logan, Marion, McPherson, Meade, Mitchell, Morton, Ness, Norton, Osborne, Ottawa, Pawnee, Phillips, Pratt, Rawlins, Reno, Rice, Rooks, Rush, Russell, Saline, Scott, Sedgwick, Seward, Sheridan, Sherman, Smith, Stafford, Stanton, Stevens, Sumner, Thomas, Trego, Wallace and Wichita;

Nebraska: Counties of Arthur, Banner, Blaine, Box Butte, Brown, Buffalo, Chase, Cherry, Cheyenne, Custer, Dawes, Dawson, Deuel, Dundy, Franklin, Frontier, Furnas, Garden, Gosper, Grant, Harlan, Hayes, Hitchcock, Hooker, Kearney, Keith, Kimball, Lincoln, Logan, Loup, McPherson, Morrill, Perkins, Phelps, Red Willow, Rock, Scotts Bluff, Sheridan, Sherman, Sioux, Thomas and Valley;

New Mexico: Counties of Chaves, Curry, Eddy, Lea, Quay and Roosevelt;

Oklahoma: Counties of Alfalfa, Beaver, Beckham, Blaine, Caddo, Canadian, Carter, Cimarron, Cleveland, Comanche, Cotton, Custer, Dewey, Ellis, Garfield, Garvin, Grady, Grant, Greer, Harmon, Harper, Jackson, Jefferson, Kay, Kingfisher, Kiowa, Lincoln, Logan, Love, Major, Marshall, McClain, Murray, Noble, Oklahoma, Osage, Pawnee, Payne, Pottawatomie, Roger Mills, Stephens, Texas, Tillman, Washita, Woods and Woodward;

South Dakota: Counties of Bennett, Butte, Custer, Fall River, Haakon, Harding, Jackson, Lawrence, Meade, Oglala Lakota, Pennington, Perkins, Todd and Ziebach;

Texas: Counties of Andrews, Archer, Armstrong, Bailey, Baylor, Borden, Bosque, Brewster, Briscoe, Brown, Callahan, Carson, Castro, Childress, Clay, Cochran, Coke, Coleman, Collin, Collingsworth, Comanche, Concho, Cooke, Cottle, Crane, Crosby, Dallam, Dallas, Dawson, Deaf Smith, Denton, Dickens, Donley, Eastland, Ector, Ellis, Erath, Fisher, Floyd, Foard, Gaines, Garza, Glasscock, Gray, Grayson, Hale, Hall, Hamilton, Hansford, Hardeman, Hartley, Haskell, Hemphill, Hill, Hockley, Hood, Howard, Hutchinson, Jack, Johnson, Jones, Kent, King, Knox, Lamb, Lampasas, Lipscomb, Loving, Lubbock, Lynn, Martin, McCulloch, Midland, Mills, Mitchell, Montague, Moore, Motley, Nolan, Ochiltree, Oldham, Palo Pinto, Parker, Parmer, Pecos, Potter, Randall, Roberts, Rockwall, Runnels, San Saba, Scurry, Shackelford, Sherman, Somervell,

Stephens, Sterling, Stonewall, Swisher, Tarrant, Taylor, Terrell, Terry, Throckmorton, Tom Green, Upton, Ward, Wheeler, Wichita, Wilbarger, Winkler, Wise, Yoakum and Young; and

Wyoming: Counties of Campbell, Crook, Goshen, Laramie, Niobrara, Platte and Weston.

2. **Hail Zone 2** means the following counties (unless otherwise stated) within the following states:

Colorado: Counties of Denver, Douglas, El Paso, Las Animas, Otero and Pueblo;

Kansas: Counties of Allen, Anderson, Atchison, Bourbon, Brown, Chase, Chautauqua, Cherokee, Clay, Cloud, Coffey, Crawford, Douglas, Elk, Franklin, Geary, Greenwood, Jackson, Jefferson, Johnson, Labette, Leavenworth, Linn, Lyon, Marshall, Miami, Montgomery, Morris, Nemaha, Neosho, Osage, Pottawatomie, Republic, Riley, Shawnee, Wabaunsee, Washington, Wilson, Woodson and Wyandotte;

Missouri: Counties of Andrew, Atchison, Barry, Barton, Bates, Benton, Buchanan, Camden, Cass, Cedar, Christian, Clay, Clinton, Crawford, Dade, Dallas, Dekalb, Dent, Douglas, Franklin, Gasconade, Greene, Henry, Hickory, Holt, Howell, Jackson, Jasper, Jefferson, Johnson, Laclede, Lafayette, Lawrence, Lincoln, Maries, McDonald, Newton, Nodaway, Oregon, Osage, Ozark, Phelps, Platte, Polk, Pulaski, Ray, Shannon, St. Charles, St. Clair, St. Louis, Stone, Taney, Texas, Vernon, Warren, Washington, Webster and Wright; and the City of St. Louis;

Nebraska: Counties of Adams, Antelope, Boone, Boyd, Burt, Butler, Cass, Cedar, Clay, Colfax, Cuming, Dodge, Douglas, Fillmore, Gage, Garfield, Greeley, Hall, Hamilton, Holt, Howard, Jefferson, Johnson, Keya Paha, Knox, Lancaster, Madison, Merrick, Nance, Nemaha, Nuckolls, Otoe, Pawnee, Pierce, Platte, Polk, Richardson, Saline, Sarpy, Saunders, Seward, Stanton, Thayer, Thurston, Washington, Wayne, Webster, Wheeler and York;

New Mexico: Counties of Colfax, De Baca, Guadalupe, Harding, Lincoln, San Miguel and Union;

Oklahoma: Counties of Adair, Atoka, Bryan, Cherokee, Choctaw, Coal, Craig, Creek, Delaware, Haskell, Hughes, Johnston, Latimer, Le Flore, Mayes, McCurtain, McIntosh, Muskogee, Nowata, Okfuskee, Okmulgee, Ottawa, Pittsburg, Pontotoc, Pushmataha, Rogers, Seminole, Sequoyah, Tulsa, Wagoner and Washington;

South Dakota: Counties of Aurora, Beadle, Bon Homme, Brookings, Brown, Brule, Buffalo, Campbell, Charles Mix, Clark, Clay, Codington, Corson, Davison, Day, Deuel, Dewey, Douglas, Edmunds, Faulk, Gregory, Hamlin, Hand, Hanson, Hughes, Hutchinson, Hyde, Jerauld, Jones, Kingsbury, Lake, Lincoln, Lyman, Marshall, McCook, McPherson, Mellette, Miner, Minnehaha, Moody, Potter, Sanborn, Spink, Stanley, Sully, Tripp, Turner, Union, Walworth and Yankton;

Texas: Counties of Anderson, Bandera, Bell, Bexar, Blanco, Bowie, Burnet, Camp, Cass, Cherokee, Comal, Coryell, Crockett, Culberson, Delta, Edwards, Falls, Fannin, Franklin, Freestone, Gillespie, Gregg, Harrison, Hays, Henderson, Hopkins, Hunt, Irion, Jeff Davis, Kaufman, Kendall, Kerr, Kimble, Kinney, Lamar, Limestone, Llano, Marion, Mason, Maverick, McLennan, Medina, Menard, Morris, Navarro, Panola, Presidio, Rains, Reagan, Real, Red River,

Reeves, Rusk, Schleicher, Smith, Sutton, Titus, Travis, Upshur, Uvalde, Val Verde, Van Zandt, Williamson, Wood and Zavala; and

Wyoming: Counties of Albany, Converse, Johnson and Sheridan.

V. Insured Location(s) means:

1. The location(s) within the **Coverage Territory** described in the most recent Statement of Values on file with the Company, **Miscellaneous Unnamed Locations** and locations as covered by the ERRORS OR OMISSIONS and NEWLY ACQUIRED PROPERTIES Additional Coverages;
2. Unless otherwise set forth in the Statement of Values, each such **Insured Location(s)** shall be comprised of any building, yard, dock, wharf, pier or bulkhead or any group of the foregoing bounded on all sides by public streets, clear land space or open waterways, each not less than fifty (50) feet wide. Any bridge or tunnel crossing such street, space or waterway shall render such separation inoperative for the purpose of this definition.

W. Leakage From Fire Protection Equipment means direct physical loss or damage from:

1. Water or other substances discharged from within any part of the **Fire Protection Equipment** for the **Insured Location** or for any adjoining locations; and/or
2. Collapse or fall of tanks forming a part of the **Fire Protection Equipment** or the component parts or supports of such tanks.

The term **Fire Protection Equipment** includes tanks, water mains, hydrants or valves, and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

1. Branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
2. Any underground water mains or appurtenances located outside of the **Insured Location** and forming a part of the public water distribution system; or
3. Any pond or reservoir in which the water is impounded by a dam.

X. Magnetic Damage to Electronic Data and Media means the **Corruption, Erasure or Alteration** of **Electronic Data and Media** through magnetism of any kind or description from any source.

Y. Malicious Code means a corrupting or a harmful piece of code which infiltrates computer hardware, software or any components thereof.

Z. Miscellaneous Unnamed Location(s) means a location(s) in the **Coverage Territory** that has not been included in the most recent Statement of Values on file with the Company and has not been reported to the Company as may be required in the **Policy** provisions elsewhere. Such locations shall be comprised as set forth in Subparagraph **V.2.** of the POLICY DEFINITIONS Section of this **Policy**.

AA. Named Storm means a storm that, at any time, has been declared by the United States National Weather Service to be a Hurricane, Typhoon, Tropical Cyclone, Tropical Storm or Tropical Depression, including any status or designation change with respect to such storm.

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BB. **Occurrence** means any one accident, loss, disaster, casualty, incident or series of accidents, losses, disasters, casualties or incidents, including all resultant or concomitant insured losses, not otherwise excluded by this **Policy** and with respect to:

1. **Terrorism** (to the extent **Terrorism** is covered), arises out of the same or related purpose or cause; or
2. Covered perils other than **Terrorism**, arises out of a single event or originating cause.

The **Occurrence** must occur during the Policy Period.

When the term applies to loss or losses from the perils of **Windstorm or Hail; Named Storm; Riot, Strike or Civil Commotion; Vandalism and Malicious Mischief; Earth Movement; Flood or Terrorism**, to the extent any such peril(s) are covered, all losses arising from such peril(s) occurring during a continuous period of seventy-two (72) hours shall be deemed to be a single **Occurrence**. The Insured may elect the moment at which the 72 hour period shall be deemed to have commenced, which shall not be earlier than the time when the first loss occurs to the Insured Property, but no two such 72 hour periods shall overlap.

If the **Occurrence** commences during the Policy Period, then the Company shall treat the entire **Occurrence** as occurring during the Policy Period.

CC. **Outdoor Property** means outdoor: (i) lawns (including fairways, greens and tees), trees, shrubs, plants; and (ii) walkways, roadways, patios or other paved surfaces, including the fill beneath such paved surfaces.

DD. **Perishable Goods** means personal property: (i) maintained under controlled conditions for its preservation; and (ii) susceptible to loss or damage if the controlled conditions are not maintained.

EE. **Policy** means the policy, the Policy Declarations and any extensions or endorsements hereto.

FF. **Policy Limit** means the limit of liability shown in Item 6. of the Policy Declarations.

GG. **Pollutants or Contaminants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, which after its release can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, bacteria, virus, or hazardous substances listed in applicable environmental state, federal or foreign law or regulation, or as designated by the U.S. Environmental Protection Agency or similar applicable state or foreign governmental authority. Waste includes materials to be recycled, reconditioned or reclaimed. **Pollutants or Contaminants** does not include **Fungus, Mold or Spore**.

HH. **Raw Materials** means materials and supplies in the state in which the Insured receives them for conversion by the Insured into **Finished Goods**.

II. **Riot, Strike or Civil Commotion** means riot or civil commotion including, but not limited to:

1. Acts of striking employees while occupying an **Insured Location**; and
2. Pilferage or looting occurring at the time and place of a riot or civil commotion.

JJ. **Smoke** means loss or damage ensuing from a sudden and accidental release of smoke. The peril of **Smoke** does not include loss or damage caused by smoke from agricultural smudging or industrial operations.

KK. **Soft Costs** means the reasonable and necessary:

1. Amount of actual interim or construction financing interest, including loan fees and other one-time charges incurred to negotiate a new construction loan and/or extend the existing one;
2. Real estate taxes and ground rent, if any;
3. Advertising and promotional expenses;
4. Cost of additional commissions;
5. Fees for architects, surveyors, legal services, consulting engineers or other fees not otherwise covered under this **Policy**;
6. Project administration expense, but not including development fees; and
7. Insurance premiums.

LL. **Terrorism** means the use or threatened use of force or violence against a person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in any connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm:

1. A government;
2. The civilian population of a country, state or community; or
3. Disrupt the economy of a country, state or community.

So long as the Terrorism Risk Insurance Act of 2002, and any revisions, reauthorizations or amendments thereto is in effect (the "Act"), **Terrorism** includes a certified act of terrorism defined by Section 102. Definitions of the Act.

MM. **Tier 1 High Hazard Wind Zone (Consisting of Texas to North Carolina, Hawaii, Puerto Rico and U.S. Virgin Islands)** means the following counties (unless otherwise stated) within the following states or territories:

<u>Alabama:</u>	Counties of Baldwin and Mobile;
<u>Georgia:</u>	Counties of Bryan, Camden, Chatham, Glynn, Liberty and McIntosh;
<u>Hawaii:</u>	Entire State;
<u>Louisiana:</u>	Parishes of Assumption, Calcasieu, Cameron, Iberia, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Martin (South), St. Mary, St. Tammany, Tangipahoa, Terrebonne and Vermilion;
<u>Mississippi:</u>	Counties of Hancock, Harrison and Jackson;
<u>North Carolina:</u>	Counties of Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrrell and Washington;
<u>Puerto Rico:</u>	Entire Territory;

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South Carolina: Counties of Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Hampton, Horry and Jasper;

Texas: Counties of Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jackson, Jefferson, Kenedy, Kleberg, Liberty, Matagorda, Newton, Nueces, Orange, Refugio, San Patricio, Victoria and Willacy; and

U.S. Virgin Islands: Entire territory, including St. Croix, St. John and St. Thomas.

NN. **Tier 1 High Hazard Wind Zone (Consisting of Virginia to Maine)** means the following counties (unless otherwise stated) within the following states:

Connecticut: Counties of Fairfield, Middlesex, New Haven and New London;

Delaware: County of Sussex;

Maine: Counties of Androscoggin, Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington and York;

Maryland: Counties of Calvert, Charles, Dorchester, St. Mary's, Somerset, Wicomico and Worcester;

Massachusetts: Counties of Barnstable, Bristol, Dukes, Essex, Nantucket, Norfolk, Plymouth and Suffolk;

New Hampshire: Counties of Rockingham and Strafford;

New Jersey: Counties of Atlantic, Bergen, Cape May, Cumberland, Essex, Hudson, Middlesex, Monmouth, Ocean and Union;

New York: Counties of Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk and Westchester;

Rhode Island: Counties of Bristol, Kent, Newport, Providence and Washington; and

Virginia: Counties of Accomack, Charles City, Gloucester, Isle of Wight, James City, Lancaster, Mathews, Middlesex, New Kent, Northampton, Northumberland, Prince George, Surry, Sussex, York and Westmoreland; and

Independent Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg.

OO. **Tier 1 High Hazard Wind Zone (Florida)** means the entire state of Florida.

PP. **Tier 2 High Hazard Wind Zone** means the following counties (unless otherwise stated) within the following states:

Georgia: Counties of Brantley, Charlton, Effingham, Long and Wayne;

Louisiana: Parishes of Acadia, Ascension, East Baton Rouge, Iberville, Jefferson Davis, Lafayette, St. Martin (North), Washington and West Baton Rouge;

Mississippi: Counties of George, Pearl River and Stone;

North Carolina: Counties of Bladen, Duplin, Gates, Hertford, Lenoir, Martin and Pitt;

South Carolina: Counties of Florence, Marion and Williamsburg; and

Texas: Counties of Bee, Brooks, Fort Bend, Goliad, Hardin, Hidalgo, Jasper, Jim Wells and Wharton.

QQ. **Unauthorized Access** means the gaining of access to computer hardware, software or any components thereof by an unauthorized person.

RR. **Unauthorized Use** means the use of computer hardware, software or any components thereof by any person in an unauthorized manner.

SS. **Valuable Papers and Records** means documents that are written, printed or otherwise inscribed. These include:

1. Books, manuscripts, abstracts, maps and drawings; film and other photographically produced records, such as slides and microfilm;
2. Legal and financial agreements such as deeds and mortgages;
3. Addressograph plates; and
4. Any data stored on printouts or punched cards.

Valuable Papers and Records does not include money and securities, **Fine Arts** or **Electronic Data and Media**.

TT. **Vandalism and Malicious Mischief** means willful and malicious damage to, or destruction of, Insured Property. **Vandalism and Malicious Mischief** does not include loss or damage caused by or resulting from theft, except for real property loss or damage caused by the breaking or exiting of burglars.

UU. **Windstorm or Hail** means the direct action of wind or the direct action of **Hail**, whether accompanied by wind or not. However, **Windstorm or Hail** does not mean:

1. Loss or damage caused by or resulting from frost or cold weather, ice (other than **Hail**), snow or sleet, whether driven by wind or not;
2. Loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand, or dust, whether driven by wind or not, unless the building or structure first sustains wind or **Hail** damage to its roof or walls through which the rain, snow, sand or dust enters; or
3. Loss or damage caused when the weight of snow, rainwater, ice or sleet is a contributing factor to the fall or **Collapse** of a building or structure or any part thereof, whether driven by wind or not.

ENDORSEMENT #001

This endorsement, effective 12:01 AM, 12/20/2019

Forms a part of Policy No.: 018257119

Issued to: CIRCUS CIRCUS CASINOS, INC.

By: AIG SPECIALTY INSURANCE COMPANY

ELECTRONIC DATA ENDORSEMENT A

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

- a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- b) However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils:
Fire, Explosion

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any ELECTRONIC DATA contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed \$10,000,000 any one loss, incurred by the Assured in recreating, gathering and assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the

Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

A handwritten signature in black ink that reads "Michael Martin". The signature is written in a cursive, slightly slanted style.

Authorized Representative

ENDORSEMENT #002

This endorsement, effective 12:01 AM, 12/20/2019

Forms a part of Policy No.: 018257119

Issued to: CIRCUS CIRCUS CASINOS, INC.

By: AIG SPECIALTY INSURANCE COMPANY

TERRORISM EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

This insurance does not cover loss or damage caused directly or indirectly by **terrorism** whether controlled or uncontrolled, proximate or remote, sudden or over any length of time, or which is contributed to or aggravated by any other cause or event. Such **terrorism** is excluded regardless of any other cause or event occurring concurrently or in any sequence with such **terrorism**.

As used herein, **terrorism** means the use or threatened use of force or violence against a person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in any connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm:

- a. A government;
- b. The civilian population of a country, state or community; or
- c. Disrupt the economy of a country, state or community.

So long as the Terrorism Risk Insurance Act of 2002, and any revisions or amendments thereto is in effect (the "Act"), **terrorism** includes a certified act of terrorism defined by Section 102. Definitions of the Act.

All other terms and conditions of the Policy remain the same.



Authorized Representative

ENDORSEMENT #003

This endorsement, effective 12:01 AM, 12/20/2019

Forms a part of Policy No.: 018257119

Issued to: CIRCUS CIRCUS CASINOS, INC.

By: AIG SPECIALTY INSURANCE COMPANY

UPGRADE TO GREENSM COMMERCIAL ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

The coverages and valuation provision provided by this endorsement only apply if direct physical loss or damage to covered real and/or personal property is caused by any of the perils covered by the Policy and replacement cost valuation applies. This coverage does not apply to: (1) personal property of others in the Insured's care, custody, and control, (2) leased personal property, and/or (3) finished or unfinished stock.

In no event, does this endorsement increase or change the per occurrence limit of liability shown in the declarations or the annual aggregate for specified perils.

1. Notwithstanding the Valuation Provision of this Policy or limits of liability applicable to specific locations or perils, if replacement cost valuation applies to real and/or personal property, then the Company's liability for loss applicable to this endorsement shall be the cost to repair or replace the covered damaged property, subject to the applicable limit of liability, plus the least of the following amounts:
 - A. The reasonable and necessary amount to upgrade to green the covered damaged property as described in Coverage Section A - Non-LEED[®] Certified Coverage *or* as described in Coverage Section B - LEED[®] Certified Coverage, whichever is applicable; or
 - B. An additional 25% of the applicable limit of liability for the building and/or business personal property shown in the Statement of Values or similar schedule to upgrade to green; or
 - C. \$50,000 to upgrade to green.

At the Insured's sole discretion, the Insured may elect not to upgrade to green any or all property for which upgrade to green coverage is provided under this endorsement. In such case, the Company will adjust the claim in accordance with the standard provisions of the Policy, as modified by all other applicable endorsements.

Subject to the least of A., B., or C. above, if business interruption coverage is provided as part of this Policy, if necessary, the Period of Restoration shall be increased to allow for additional time to upgrade to green the damaged property plus up to an additional two week period to meet the requirements set forth in 4.B.

2. COVERAGE SECTION A: NON-LEED CERTIFIED COVERAGE

In the event of direct physical loss or damage by any of the perils covered by the Policy to a building that is not LEED certified at the time of the loss, or to the personal property within such a building, the Company will pay to repair or replace damaged or destroyed:

A. Loss Settlement for Personal Property

- (1) "Appliances" or "Office Equipment" with products of like kind and quality that have been identified as "ENERGY STAR®" or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.
- (2) "Systems Furniture" or "Seating", with products of like kind and quality that are certified as GREENGUARD Indoor Air Quality Certified® or products with similar emissions characteristics. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

B. Loss Settlement for Your Building

(1) Interior Finish Materials Upgrade

a. Lower Emissions Products Upgrade Coverage

"Defined Building Materials" with products of like kind and quality that have "Lower Emissions". If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

b. Environmentally Preferable Products Upgrade Coverage

Interior wood, carpeting and flooring with products of like kind and quality that have "Lower Emissions", are "Sustainably Produced", are "Rapidly Renewable" or include "Recycled Content". If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

(2) Interior Plumbing Systems Upgrade Coverage

Interior plumbing fixtures including, but not limited to, toilets, shower heads, and lavatory faucets with products of like kind and quality that are more "Water Efficient". If there are no such products available at the time of the loss, this upgrade to green coverage does not apply. For damaged or destroyed faucets, the Company will also pay to install occupant sensors to reduce the potable water demand.

(3) Lighting Systems Upgrade Coverage

Lighting systems, with products of like kind and quality that have been identified as "ENERGY STAR" or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply. The Company will also pay to repair or replace damaged light bulbs with light bulbs which have low mercury content.

(4) Efficient Heating and Cooling Equipment Upgrade Coverage

"Heating and cooling equipment" with products of like kind and quality that have been identified as "ENERGY STAR" or equivalent products of such

energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

(5) **Building Reconstruction Following Total Loss**

a. Solely with respect to a "Total Loss" to a building, the Company will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that should satisfy the prerequisites and earn the minimum number of points required to qualify for LEED Silver certification using the LEED New Construction (LEED NC®) Rating System.

b. **Certification Expenses**

(i) The Company will pay the reasonable and necessary registration and certification fees charged by the United States Green Building Council (USGBC) that the Insured incurs should the Insured decide to seek LEED Silver certification. However, the Company will not pay to modify the reconstructed structure if it is not certified.

(ii) The Sublimit of Insurance for this coverage is \$25,000.

3. **COVERAGE SECTION B: LEED CERTIFIED COVERAGE**

In addition to all Coverages provided in Coverage Section A (with the exception of 2.B. (5) Building Reconstruction Following a Total Loss) and in the event of direct physical loss or damage by any of the perils covered by the Policy to a building that is LEED certified at the time of the loss, or to the personal property within such building, the Company will pay to repair or replace damaged or destroyed:

A. **Loss Settlement for Trees, Shrubs, and Vegetative Roofs**

(1) Trees and shrubs planted specifically to secure the Heat Island Effect: Non-Roof point as described in LEED NC. For the purposes of this coverage only, notwithstanding any other provision of the Policy to the contrary, trees and shrubs are Covered Property. The sublimit of insurance for this coverage is \$3,000 per tree or \$3,000 per shrub up to a maximum of \$25,000.

(2) Vegetative roofs on LEED certified buildings. Notwithstanding any other provision of the Policy to the contrary, vegetative roofs are Covered Property.

B. **Loss Settlement for Your Building**

(1) **Recertification Expenses**

a. In the event of direct physical loss or damage by any of the perils covered by the Policy that necessitates recertification of the damaged building, the Company will pay the reasonable and necessary registration and certification fees charged by the USGBC that the Insured incurs as a result of the recertification process.

b. The Sublimit of Insurance for this coverage is \$25,000.

(2) **Building Reconstruction Following Total Loss**

- a. Solely with respect to a "Total Loss" to a building that is LEED certified at the time of the loss, the Company will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that would satisfy the prerequisites and should earn the minimum number of points required to qualify for LEED certification at one level above the certification in effect at the time of the loss using the LEED NC Rating System.
- b. **Certification Expenses**
 - (i) The Company will pay the reasonable and necessary registration and certification fees charged by the USGBC that the Insured incurs should the Insured decide to seek LEED certification. However, the Company will not pay to modify the reconstructed structure if it is not certified.
 - (ii) The Sublimit of Insurance for this coverage is \$25,000.

4. **COVERAGES INCLUDED WITHIN COVERAGE SECTIONS A OR B AND APPLICABLE TO LEED® AND NON-LEED® CERTIFIED BUILDINGS**

In the event of direct physical loss or damage by any of the perils covered by the Policy to a LEED or Non-LEED certified building:

A. **Recycling Expenses**

- (1) The Company will pay the Insured's expenses to clean-up, sort, segregate, and transport debris from the Insured's damaged building to recycling facilities, if such debris can be recycled.
- (2) The Sublimit of Insurance for this coverage is \$25,000 and is in addition to the debris removal expense sublimit provided by the Policy, if any.
- (3) Any income or remuneration derived from this recycling shall be used to reduce the loss.

B. **Air Testing and Outdoor Air Ventilation of the Reconstructed Space**

- (1) In accordance with the requirements for the Construction IAQ Management Plan: Before Occupancy Credit as described in the LEED NC rating system (hereinafter, "Construction IAQ"), the Company will pay to conduct air testing and a building flush-out (if required because of a failure to meet air quality standards set forth in the Construction IAQ) and follow-up air testing for a total period of time not to exceed two weeks.
- (2) After the two week period of increased outdoor air ventilation of the reconstructed space, the Company will pay to replace the filtration media with new media.
- (3) The Sublimit of Insurance for this coverage is \$25,000.

C. Professional Services

The Company will pay reasonable and necessary expenses to hire a LEED Accredited architect or engineer to participate in the design and/or construction administration of the damaged portion of the building or the entire building, whichever is applicable.

The Sublimit for this coverage is \$50,000.

D. Building Commissioning Expenses

(1) In the event of direct physical loss or damage to mechanical, electrical, or electronic building systems, by any of the perils covered by the Policy which necessitates the commissioning or re-commissioning of those systems, the Company will pay reasonable and necessary expenses of a Professional Engineer to commission or re-commission those damaged systems in accordance with LEED protocols.

(2) The Sublimit of Insurance for this coverage is \$25,000.

5. Additional Definitions

A. "Appliances" means products including, but not limited to, dishwashers, refrigerators, freezers, ovens, microwave ovens, room air conditioners, room air cleaners and water heaters.

B. "Defined Building Materials" means: (1) all carpet and floor coverings, including adhesives to affix them to the floor, (2) all interior paints, architectural coatings, primers, undercoatings, adhesives, sealants, and (3) permanently installed composite wood fixtures, including, counters, cabinets, and partitions.

C. "ENERGY STAR" means any product that has been identified by the United States Government Department of Energy, Environmental Protection Agency as ENERGY STAR qualified at the time of the loss.

D. "Heating and Cooling Equipment" means products including, but not limited to, heat pumps, boilers, central air conditioning, ceiling fans, dehumidifiers, exhaust fans, furnaces, thermostats, and ventilating fans.

E. "Lower emissions" means:

(1) With respect to adhesive and sealant products, such as, general construction adhesives, flooring adhesives, fire-stopping sealants, caulking, duct sealants, plumbing adhesives, and cove base adhesives, products that meet the requirements of South Coast Air Quality Management District (SCAQMD) Rule #1168; with respect to aerosol adhesives, products that meet Green Seal Standard GS-36 requirements;

(2) With respect to architectural paints, coatings, and primers, products that do not exceed the volatile organic compound (VOC) content limits established in Green Seal Standard GS-11, with respect to anti-corrosive and anti-rust paints, products that do not exceed the VOC content limits established in Green Seal Standard GS-03; and with respect to clear wood finishes, floor

coatings, stains, and shellacs, products that do not exceed the VOC content limits established by SCAQMD Rule #11113;

- (3) With respect to carpet and carpet cushion, products that meet the requirements of the Carpet and Rug Institute's Green Label Plus Program; and
 - (4) With respect to composite wood and agrifiber products such as particleboard, medium density fiberboard (MDF), plywood, wheatboard, strawboard, panel substrates and door cores as well as laminating adhesives used to fabricate on-site and shop-applied composite wood and agrifiber assemblies, products that contain no added urea- formaldehyde resins.
- F. "Office Equipment" means electronic products including, but not limited to, desktop computers, laptop computers, monitors, printers, fax machines, scanners, copiers, and telephones.
- G. "Recycled Content" means those products that contain at least 20% postconsumer recycled content.
- H. "Rapidly Renewable" means products that are made from plant resources that are harvested within a ten-year cycle or shorter, including, but not limited to, bamboo, eucalyptus, wheat straw, sunflower hulls, cork oak, wheatboard, linoleum, and sorghum.
- I. "Seating" means task and guest chairs used with "System Furniture".
- J. "Sustainably Produced" means those products certified by the Forest Stewardship Council ("FSC").
- K. "System Furniture" means either a panel-based workstation comprised of modular interconnecting panels, hang-on components and drawer/filing components of a freestanding grouping of furniture items and their components that have been designed to work in concert.
- L. "Total Loss" means:
- 1. The covered building is completely destroyed regardless of whether any damage is done to the foundation or slab, or
 - 2. The covered building is in such condition after the loss that the standard method of rebuilding or repairing the covered building is to raze the structure except for the foundation or slab or including all or part of the foundation or slab and rebuild the entire structure, whether such structure is actually rebuilt or not.
- M. "Water Efficient" means dry fixtures such as composting toilet systems and non-water using urinals, flush toilets using no more than 1.6 gallons of water per flush, and shower heads and faucets with a flow rate of no more than 2.2 gallons per minute.

All other terms and conditions of the Policy remain the same.



Authorized Representative

ENDORSEMENT #004

This endorsement, effective 12:01 A.M., 12/20/2019

Forms a part of Policy No.: 018257119

Issued to: CIRCUS CIRCUS CASINOS, INC.

By: AIG SPECIALTY INSURANCE COMPANY

TIME ELEMENT LOSS SUBLIMIT ENDORSEMENT

This endorsement modifies insurance provided by this Policy:

Notwithstanding any other provision of this **Policy** to the contrary, including any coverage for Time Element loss provided in the Additional Coverages, Additional Time Element Coverages, Global Coverage Extensions or elsewhere in this **Policy**, the most the Company will pay for all Time Element Loss covered under this **Policy** is \$96,774,307 per **Occurrence**.

This Time Element Loss sublimit of liability shown above is subject to the **Policy Limit** and the sublimits of liability shown in Item **6.A.** of the Declarations.

All other terms and conditions of the Policy remain the same.

A handwritten signature in black ink that reads "Michael Martin". The signature is written in a cursive, flowing style.

Authorized Representative

ENDORSEMENT #005

This endorsement, effective 12:01 AM, 12/20/2019

Forms a part of Policy No.: 018257119

Issued to: CIRCUS CIRCUS CASINOS, INC.

BY: AIG SPECIALTY INSURANCE COMPANY

CASINO GAMING CHIPS VALUATION AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

The following is added to Section III. VALUATION:

Casino gaming chips will be valued at replacement cost at the time and place of the loss.

All other terms and conditions of the Policy remain the same.



Authorized Representative

ENDORSEMENT #006

This endorsement, effective 12:01 AM, 12/20/2019

Forms a part of Policy No.: 0182571190

Issued to: CIRCUS CIRCUS LV, LP

By: AIG SPECIALTY INSURANCE COMPANY

NAMED INSURED ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

In consideration of the policy premium, it is agreed that the Named Insured appearing under the policy declarations is amended to read:

Circus Circus LV, LP

All other terms and conditions of the Policy remain the same.



Authorized Representative

ENDORSEMENT #07

This endorsement, effective 12:01 AM, 12/20/2019

Forms a part of Policy No.: 018257119

Issued to: CIRCUS CIRCUS LV LP

By: AIG Specialty Insurance Company

POLICY CANCELLATION

This endorsement modifies insurance provided by the Policy:

Effective as of 03/20/2020 at 12:01 a.m. Standard Time (at the Address of the Named Insured shown in Item 1. of the Declarations), the Policy is cancelled. Return premium, if any, is \$ 1,261,438.39.

All other terms and conditions of the Policy remain the same.

Authorized Representative

EXHIBIT B



Stay at Home Order still in Effect. For the latest info, visit nvhealthresponse.nv.gov.



Nevada Governor Steve Sisolak



DECLARATION OF EMERGENCY FOR COVID-19

WHEREAS, Nevada Revised Statutes, Chapter 414, authorizes the Governor to issue a proclamation declaring a state of emergency when a natural emergency or disaster of major proportions has occurred within this state, and the assistance of state agencies is needed to supplement the efforts and capabilities of political subdivisions to save lives, protect property, and protect the health and safety of persons in this state, particularly through a coordinated response; and

WHEREAS, the Centers of Disease Control and Prevention (CDC) are responding to an outbreak of a respiratory illness that has since been confirmed in numerous countries, including the United States; and

WHEREAS, the respiratory disease has been named coronavirus disease 2019, abbreviated as COVID-19; and

WHEREAS, the World Health Organization declared the COVID-19 outbreak a pandemic; and

WHEREAS, the State of Nevada has been coordinating with the federal government, as well as local health authorities, health care facilities, and providers of health care to prepare for, and identify possible cases of COVID-19 in the State of Nevada; and

WHEREAS, the nearby states of California, Washington, Oregon, Arizona, and Utah have been impacted by COVID-19 and have already declared a state of emergency; and

WHEREAS, there are multiple confirmed and presumptive cases of COVID-19 in the State of Nevada; and

WHEREAS, there are multiple confirmed and presumptive cases of COVID-19 in the State of Nevada; and

WHEREAS, the Nevada Department of Health and Human Services is working with local health authorities to identify any other potential cases of COVID-19 in the State; and

WHEREAS, the Chief Medical Officer has reported that a public health emergency exists in the State; and

WHEREAS, the Governor has determined that the State of Nevada is experiencing events that require a coordinated response for the health and safety of the public; and

WHEREAS, Article 5, Section 1 of the Nevada Constitution provides: "The supreme executive power of this State, shall be vested in a Chief Magistrate who shall be Governor of the State of Nevada."

NOW, THEREFORE, I, Steve Sisolak, Governor of the State of Nevada, pursuant to the authority vested in me by the Constitution and laws of the State of Nevada, hereby declare an emergency and direct all state agencies to supplement the efforts of all impacted and threatened counties to save lives, protect property, and protect the health and safety of persons in this state. Under my authority, I will perform and exercise such other functions, powers, and duties as are necessary to promote and secure the safety and protection of the civilian population.

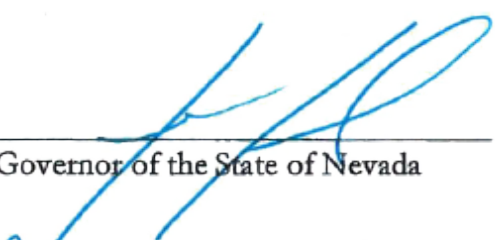
SECTION 1:	The State Emergency Operations Center be activated to coordinate a response to minimize the impacts, and prevent the further transmission of, COVID-19 to persons in this state; and
SECTION 2:	An Emergency Team be established to coordinate the response to COVID-19; and
SECTION 3:	The Emergency Team will consult with the Nevada Tribal Emergency Coordinating Council to ensure a coordinated response to COVID-19; and
	The Administrator of the State Purchasing Division, pursuant to Nevada Administrative


SECTION 4:	Code 333.114, to the extent necessary, may authorize an emergency purchase for any amount; or provide the using agency with written authorization for the emergency purchase, including, without limitation, a description of the justification for authorizing the emergency purchase, and suspend the standard procurement process to allow the purchase of food, supplies, services, and equipment; and
SECTION 5:	Law enforcement, including the Nevada Attorney General, will diligently monitor and investigate a coordinated increase in prices for goods or services, and particularly goods or services necessary for the health and safety of the public or that result in economic hardships, making false representations, "bait and switch" practices, failure to disclose material facts in conjunction with the sale of goods or services, or the use of coercion, duress, or intimidation in a transaction in violation of consumer protection laws; and
SECTION 6:	Law enforcement, including the Nevada Attorney General, will diligently ensure that persons or corporations act and perform in a lawful manner which ensures the safety, health, comfort, or repose of any considerable number of the public, do not offend public decency, or in any way renders a considerable number of persons insecure in life or the use of property.
SECTION 7:	This declaration will remain in effect until the Chief Medical Officer notifies the Governor that the health event has been abated and the Governor issues an order terminating the emergency.

Emergency Order Instructions



IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Nevada to be affixed at the State Capitol in Carson City, this 12th day of March, in the year two thousand twenty.


Governor of the State of Nevada


Secretary of State


Deputy Secretary of State

Executive

- Governor
- Lt. Governor
- Secretary of State
- Attorney General
- State Treasurer
- State Controller

Alerts

- Amber Alerts
- Consumer Affairs
- Weather Alerts
- 211- Service Information
- 511 - Road Conditions
- 911 - Emergency Help

Legislature

- Legislature Website
- NELIS
- Legislature Meetings
- Find Your Legislator
- Nevada State Senate
- Nevada State Assembly



EXHIBIT C



**NEVADA
HEALTH
RESPONSE**

NEVADA HEALTH RESPONSE COVID-19 RISK MITIGATION INITIATIVE

"The most effective course of action is for all Nevadans to stay home and for all nonessential businesses to temporarily close to the public for 30 days."

- Governor Steve Sisolak, March 17, 2020

This Nevada Health Response COVID-19 Risk Mitigation Initiative (Initiative), is issued as guidance following Governor Sisolak's Tuesday, March 17, 2020 Press Conference, and pursuant to Governor Sisolak's March 12, 2020 Declaration of Emergency, which cites Article 5, Section 1 of the Nevada Constitution declaring that the "supreme executive power of this State, shall be vested in a Chief Magistrate who shall be the Governor of the State of Nevada."

The goal of this Initiative is to protect the health and safety of Nevadans by preventing people coming together unnecessarily, where people who have the infection can easily spread it to others. Ask yourself this question: "Where do people get within 6 feet of other individuals for an extended period of time?" -- then avoid those areas.

As with all Initiative parameters related to the COVID-19 crisis, the Governor, the Nevada Health Response Center, and local and state health authorities will **revisit this guidance on a regular basis** to evaluate the continued public health needs and whether any elements need to be changed.

The immediate implementation of aggressive strategies to create social distance and decrease close contact of people, including limiting gatherings, has proven effective in prior pandemics at delaying rates of transmission and reducing death and illness. By decreasing the prevalence of disease across Nevada we will:

- Reduce the number of Nevadans who contract COVID-19 before an effective treatment or vaccine is available.
- Protect those most likely to experience severe symptoms, such as older Nevadans and those with underlying chronic conditions.

- Preserve and protect our health care delivery system, including our health care workforce, so they can care for the least healthy individuals in the community for any medical condition, not just COVID-19.
- Minimize the social and economic impacts of COVID-19 over the long run.

SOCIAL DISTANCING GUIDELINES

Nevadans must ensure that **6 feet of social distancing per person** for non-household members is maintained at all times.

Examples of activities to avoid:

- Group gatherings
- Sleepovers
- Concerts and theater outings
- Playdates
- Athletic events
- Visitors in your house
- Non-essential workers in your house
- Shopping in malls
- Workouts in gyms

Initiative parameters on gatherings:

All gatherings should be postponed or canceled.

For purposes of this Initiative, a “gathering” is any event or convening that brings people together in a single room or single space at the same time – indoor or outdoor.

When it comes to gatherings, the risk is based on the proximity between individuals and how they are interacting with one another. The risk does not disappear in small gatherings. It’s the social distancing that will make the difference.

- We still want you to experience the **joy of weddings**, but this is not the time to bring your friends together -- especially if this will require travel. Consider postponing the celebration to a time when the risk is low or eliminated.
- For Nevadans making preparations to say goodbye to loved ones, please limit the attendance at **funeral services**. Consider outdoor services where the risk of exposure is less than inside.

- While the Governor cannot and will not say that **places of worship** should be closed, he strongly urges our faith leaders to find ways to tend to your congregation without bringing them together in person.

ESSENTIAL AND NON-ESSENTIAL SERVICES & SECTORS

Essential services and sectors include, *but are not limited to:*

- Fire services, law enforcement agencies, ambulances, paramedics, all emergency medical services & public safety agencies
- Healthcare services
- Businesses or organizations that provide food, shelter, or critical social services for disadvantaged populations
- Utilities as defined in [NRS Chapter 704](#)
- Trash collection
- Home maintenance/repair services
- Auto repair services & trucking service centers
- Grocery stores, supermarkets, hardware stores, convenience & discount stores
- Pharmacies, healthcare operations, & biomedical facilities
- Post offices & shipping outlets
- Gas stations & truck stops
- Banks & financial institutions
- Veterinary services & pet stores
- Laundromats & dry cleaners
- Food processing
- Agriculture, livestock & feed mills
- Logistics & Supply Chain Operations: Warehousing, storage, distribution, and supply-chain related operations
- Air transportation
- Public transportation
- Essential stays in hotels, commercial lodging, dormitories, shelters, and homeless encampments
- Child care centers and daycares operating in accordance with requirements set forth by their licensing authorities and COVID-19 guidance

Although these businesses may remain open, the Nevada Health Response Center maintains that all employees and patrons employ strict social distancing practices. In addition, businesses should:

- Remind employees of best hygiene practices, including washing their hands often with soap and water for at least 20 seconds.
- Increase the frequency of cleaning and sanitizing per CDC Environmental Cleaning and Disinfection guidance of all hard surfaces, including tables and countertops that are being utilized by employees and patrons during pickup/delivery options.

Other businesses, including but not limited to legal services, business and management consulting, professional services and insurance services are encouraged to have employees work remotely or telecommute.

If that is not possible, they should employ strict social distancing practices as set forth by the Nevada Health Response Center and the CDC.

Non-essential services and sectors include, *but are not limited to*:

- Entertainment & hospitality, including but not limited to strip clubs and brothels, casinos, concert venues, arenas, auditoriums, stadiums, large conference rooms, meeting halls, and cafeterias
- Recreation and athletic facilities, including but not limited to community and recreation centers, gyms, health clubs, fitness centers, yoga, barre and spin facilities
- Beauty and personal care services and facilities, including but not limited to barber shops, beauty, tanning, waxing hair salons, and nail salons and spas
- Retail facilities, including shopping malls except for pharmacy or other health care facilities within retail operations. Retailers are encouraged to continue online operations with pickup and delivery.

FOOD & BEVERAGE ESTABLISHMENTS GUIDANCE

The Governor directed all restaurants and bars to close their dine-in facilities to help stop the spread of COVID-19. Businesses that offer carry-out, delivery, and drive-through food and beverage service may continue to do so, but eating and drinking inside restaurants and bars is temporarily prohibited. These businesses offering carry-out, delivery, and drive-through food and beverage should employ strict social distancing protocol. Additional information is below:

- Charitable food distribution sites, including the meals being distributed to our students in wake of the school closings, along with grocery stores, should remain fully open and operational.

- Food services for healthcare facilities and other essential facilities should remain open.
- Any **buffet or food stations** used in charitable food distribution settings should transition to boxed meals or served through gloved staff members or volunteers.
- Restaurants throughout Nevada, in addition to pubs, wineries, bars, and breweries that include meals provided by a full kitchen should be reduced to serving food only in a **drive-thru, take-out or delivery capacity**. No dine-in at food establishments should be allowed until further notice. This also includes food courts, coffee shops, catered events, clubs, bowling alleys, and other similar venues in which people congregate for the consumption of food.
- **Pubs, wineries, bars, and breweries that do not include meals provided by a full kitchen should close.**

For the food establishments allowed to remain open, you should:

- Immediately increase sanitizing and cleaning frequency of high contact areas -- such as restrooms.
- Enforce stringent hygiene practices for your staff, including frequent and thorough hand washing for at least 20 seconds at a time.

GAMING

The Governor announced that all gaming machines, devices, tables, games, and any equipment related to gaming activity will be shut down. Restaurants and bars located within gaming properties will be subject to the same restrictions as those outside of gaming establishments.

CANNABIS

Licensed cannabis stores and medical dispensaries should only remain open if employees and consumers strictly adhere to the social distancing protocol. The Nevada Health Response Center is encouraging **consumers to use delivery services** and not congregate in stores.

###

EXHIBIT D

**COVID-19**

Stay at Home Order still in Effect. For the latest info, visit nvhealthresponse.nv.gov.



Nevada Governor Steve Sisolak



DECLARATION OF EMERGENCY FOR COVID-19- DIRECTIVE 003

WHEREAS, on March 12, 2020, I, Steve Sisolak, Governor of the State of Nevada issued a Declaration of Emergency to facilitate the State's response to the COVID19 pandemic; a

WHEREAS, on March 13, 2020, Donald J. Trump, President of the United States declared a nationwide emergency pursuant to Sec. 501(6) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207 (the "Stafford Act"); and

WHEREAS, the World Health Organization and United States Centers for Disease Control and Prevention have advised that there is a correlation between density of persons gathered and the risk of transmission of COVID-19; and

WHEREAS, close proximity to other persons is currently contraindicated by public health and medical best practices to combat COVID-19; an

WHEREAS, recreational social gatherings unnecessarily extend periods of interpersonal contact and promulgates spread of COVID-19; a

WHEREAS, certain non-essential activities result in the congregation of persons for extended periods of time; and

WHEREAS, fire services, law enforcement agencies, emergency medical services, and public safety agencies are essential to the welfare, safety, and health of our communities; and

WHEREAS, NRS 414.060 outlines powers and duties delegated to the Governor during the existence of a state of emergency, including without limitation, directing and controlling the conduct of the general public and the movement and cessation of movement of pedestrians and vehicular traffic during, before and after exercises or an emergency or disaster, public meetings or gatherings; and

WHEREAS, NRS 414.070 outlines additional powers delegated to the Governor during the existence of a state of emergency, including without limitation, enforcing all laws and regulations relating to emergency management and assuming direct operational control of any or all forces, including, without limitation, volunteers and auxiliary staff for emergency management in the State; providing for and compelling the evacuation of all or part of the population from any stricken or threatened area or areas within the State and to take such steps as are necessary for the receipt and care of those persons; and performing and exercising such other functions, powers and duties as are necessary to promote and secure the safety and protection of the civilian population; and

WHEREAS, NRS 414.090 limits the powers of political subdivisions in the event of an emergency, and provides that counties shall, and cities may, in pertinent part establish local organizations for emergency management in accordance with the state emergency management plan and program for emergency management; enter into contracts and incur obligations necessary to combat such an emergency or disaster, protect the health and safety of persons and property and provide emergency assistance to the victims of such an emergency or disaster; and exercise the powers vested under NRS 414.090 in the light of the exigencies of the extreme emergency or disaster without regard to timeconsuming procedures and formalities prescribed by law, except constitutional requirements, pertaining to the performance of public work, entering into contracts, the

incurring of obligations, the employment of temporary workers, the rental of equipment, the purchase of supplies and materials, the levying of taxes, and the appropriation and expenditure of public funds; and

WHEREAS, the Nevada Attorney General opined in Opinion Number 57-336 that "there can be no question but that the Legislature intended to give to the Governor the broadest possible powers consistent with constitutional government in a time of dire emergency;" and

WHEREAS, the Nevada Attorney General opined in Opinion Number 95-03 that, in the context of the Governor's exercise of powers under NRS Chapter 414, municipalities exceed their statutory authority in adopting emergency powers that:

- Establish a curfew allowing only authorized persons in public places;
- Forbid or limit the number of persons who may gather or congregate in public places;
- Prohibit or restrict traffic on public streets and roads;
- Prohibit the sale or distribution of gasoline (or other flammable/ combustible), except in vehicle gas tanks or other proper container;
- Close businesses which sell gasoline (or other flammable/combustible);
- Prohibit the sale or distribution of alcohol;
- Close businesses which sell alcohol;
- Prohibit the sale or distribution of guns, ammunition or explosives; or
- Close businesses which sell guns, ammunition or explosives; and

WHEREAS, the Nevada Attorney General further opined in Opinion Number 95-03 that such powers as outlined immediately above, if enacted, would be preempted by other grants of power set forth in Chapter 414 and elsewhere; and

WHEREAS, Article 5, Section 1 of the Nevada Constitution provides: "The supreme executive power of this State, shall be vested in a Chief Magistrate who shall be Governor of the State of Nevada;" and

WHEREAS, on March 17, 2020, I directed Nevadans to implement the following measures; and

WHEREAS, non-essential businesses continue to operate and avail themselves to the general public, further exacerbating the public health emergency:

NOW, THEREFORE, by the authority vested in me as Governor by the Constitution and the laws of the State of Nevada and the United States, and pursuant to the March 12, 2020, Emergency Declaration,

SECTION 1:	Non-Essential Businesses, as further defined in regulations promulgated under this Directive, that promote recreational social gathering activities including, but not limited to, recreation centers, clubhouses, nightclubs, movie theaters, massage parlors, adult entertainment establishments, brothels, and live entertainment venues, and any other such Non-Essential Business shall close effective March 20, 2020, at 11:59 p.m., for the duration that this Directive shall be in effect.
SECTION 2:	Non-Essential Businesses that promote extended periods of public interaction where the risk of transmission is high, including fitness establishments such as gyms and studios; aesthetic services such as beauty shops, barber shops, nail salons, tanning salons, and wax salons; and any other such Non-Essential Business shall close effective March 20, 2020, at 11 :59 p.m., for the duration that this Directive shall be in effect.
SECTION 3:	<p>The Nevada general public may utilize restaurants and food establishments serving prepared meals. Such establishments may continue serving the public, but shall cease onsite dining effective March 20, 2020 at 11:59 p.m., for the duration that this Directive shall be in effect. Food establishments open to the Nevada general public shall only serve customers through a take-out, drive-through, curbside pickup, or delivery capacity. Food establishments shall adopt COVID-19 risk mitigation policies including, but not limited to:</p> <ul style="list-style-type: none"> • To the extent practicable, ensuring that customers receiving orders outside the food establishment maintain adequate social distancing practices by not congregating within a minimum of six feet of separation between each other. This social distancing requirement does not apply to persons residing in the same household. • To the extent practicable, disallowing the formation of queues whereby persons congregate in a manner that violates the social distancing guidelines above. • Adopting contactless payment systems whenever possible. • All food workers must strictly abide by all applicable hygiene guidelines including handwashing and glove requirements. • Follow United States Centers for Disease Control and Prevention sanitization

	recommendations, including disinfecting surfaces routinely and at frequent intervals throughout the workday.
SECTION 4:	An Essential Licensed Business, including but not limited to, and as further defined in regulations promulgated under this Directive, healthcare providers, veterinary services, grocery stores, pharmacies, financial institutions, hardware stores, convenience stores, security services, and gas stations, is encouraged to continue operation, but must adopt COVID-19 risk mitigation measures that reduce the risk of community disease spread, including but not limited to:
SECTION 5:	Retail cannabis dispensaries may operate by delivery only pursuant to the guidance that Retail cannabis dispensaries may operate by delivery only pursuant to the guidance that
SECTION 6:	The construction, mining, manufacturing, and infrastructure sector labor force may continue operations, but shall maintain strict social distancing practices to facilitate a minimum of six feet of separation between workers, and to adopt policies and practices that ensure minimum contact between the workforce and the general public. This social distancing restriction shall not be construed to supersede any safety practices imposed on the industry by state or federal law. Business sectors operating under this authority must comply with any applicable COVID-19 risk mitigation policies, as further defined in regulations promulgated under this Directive, and any precautionary measures and guidance that shall be promulgated by Nevada Department of Business and Industry.
SECTION 7:	This Directive shall not be construed to hinder the ability of the industries identified in the U.S. Department of Homeland Security Cyber & Infrastructure Security Agency Essential Critical Infrastructure Workforce memorandum dated March 19, 2020 to continue their operation appropriately modified to account for Centers for Disease Control (CDC) workforce and consumer protection guidance.
SECTION 8:	Businesses not delineated above or in regulations promulgated under this Directive may continue operations, not to include retail sales, if they are able to implement social distancing safeguards for the protection of their employees and: <ul style="list-style-type: none"> • Perform operations without contact with the Nevada general public; or • To the extent practicable, provide services without causing members of the Nevada general public to congregate in a manner contrary to social distancing goals of a minimum of six feet of separation for more than incidental contact; or • Provide services without causing more than ten members of the Nevada general public to congregate.
SECTION 9:	Businesses that do not comply with this Directive or regulations promulgated under his Directive, after receiving written notice from law enforcement, may be subject to criminal prosecution and civil penalties under NRS 202.595, NRS 202.450, and any other applicable statute, ordinance, or regulation. All law enforcement agencies in the State of Nevada are authorized to enforce this Directive and regulations promulgated under this Directive. The Office of the Attorney General is given concurrent jurisdiction to prosecute violations of this Directive and any regulations promulgated thereunder.
SECTION 10:	Pursuant to NRS 414.060(3)(£), I hereby authorize all local, city, and county governments to enforce this Directive and regulations promulgated thereunder. This includes, but is not limited to, suspending a license, revoking a license, or issuing penalties for violating business, professional, liquor, tobacco, or gaming licenses issued by the local jurisdiction for actions that jeopardize the health, safety, or welfare of the public; conduct which may injuriously affect the public health, safety, or welfare; conduct that may be detrimental to the public peace, health, or morals; or any other applicable ordinance or requirement for such a license.
SECTION 11:	This Directive. shall remain in effect until April 16, 2020, unless renewed by a ubsequent Directive promulgated pursuant to the March 12, 2020 Declaration of Emergency to facilitate the State's response to the COVID-19 pandemic.

Emergency Order Instructions



IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Nevada to be affixed at the State Capitol in Carson City, this 20th day of March, in the year two thousand twenty.



Governor of the State of Nevada


Secretary of State

Deputy Secretary of State

Emergency Regulations

Executive

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[Lt. Governor](#)
[Secretary of State](#)
[Attorney General](#)
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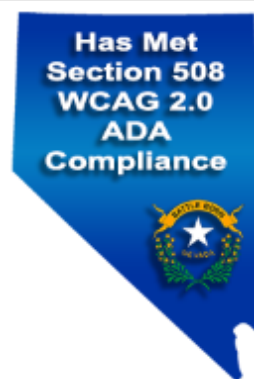
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SECRETARY OF STATE
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For Filing Administrative
Regulations

Agency... Department of Public
Safety, Division of Emergency
Management

FOR EMERGENCY
REGULATIONS ONLY

Effective
date.....03/20/2020.....

Expiration date.....04/16/2020.....

.....
Governor's Signature

Classification: ☐ PROPOSED ☐ ADOPTED BY AGENCY ☒ EMERGENCY

Brief description of action..... Emergency amendment of NAC 414

The Department of Public Safety, Division of Emergency Management has adopted the emergency regulation as a result of the COVID-19 Pandemic. This addition to NAC 414 will define essential and non-essential businesses, as well as, parameters for essential businesses to conduct business in this State under the Governor's March 12, 2020, Declaration of Emergency and related directives. Through the enclosed emergency regulation, businesses, as well as, state and local governments, will have the guidance to determine which businesses are essential and which are non-essential during the COVID-19 Pandemic.

Authority citation other than 233B NRS 414.060; NRS 414.070; Declaration of Emergency, Directive 003, March 20, 2020
Notice date March 20, 2020

Date of Adoption by Agency March 20, 2020

Hearing date ^t NOT practicable

Steve Sisolak
Governor



**Nevada Department of
Public Safety**
DEDICATION PRIDE SERVICE

George Togliatti
Director

Sheri Bueggemann
Deputy Director

Justin Luna
Chief

**Division of Emergency Management
Homeland Security**

2478 Fairview Drive
Carson City, Nevada 89701
Telephone (775) 687-0300 / Fax (775) 687-0322
DEM Website – <http://dem.nv.gov>

STATEMENT OF EMERGENCY

Pursuant to NRS 414.060(3)(a); NRS 414.070(7); Declaration of Emergency,
Directive 003, March 20, 2020

March 20, 2020

The Honorable Steve Sisolak
Governor of the State of Nevada
Executive Chambers
101 N. Carson Street, Suite 1
Carson City, Nevada 89701

RE: Emergency Regulation Concerning COVID-19 Pandemic

Dear Governor Sisolak,

The continued operation of non-essential businesses is impairing the State's ability to prevent the further transmission of COVID-19 and lives are at stake. The Department of Public Safety, Division of Emergency Management has determined that an immediate need exists for an emergency regulation defining essential and non-essential businesses, as well as, parameters for essential businesses to conduct business in this State under your March 12, 2020, Declaration of Emergency and related directives.

Through the enclosed emergency regulation, businesses, as well as, state and local governments, will have the guidance to determine which businesses are essential and which are non-essential. Further, essential businesses will have clear direction on the expectations for their ability to continue providing goods and services to our communities during the existence of the COVID-19 pandemic.

This emergency regulation is necessary and your immediate endorsement is requested.

Justin Luna

Justin Luna

Capitol Police • Office of Criminal Justice Assistance • Emergency Management/Homeland Security
• State Fire Marshal • Records, Communications and Compliance • Highway Patrol • Investigations • Parole and Probation
• Office of Professional Responsibility • Office of Traffic Safety • Training • Office of Cyber Defense
• Emergency Response Commission

Informational Statement per NRS 233B.066(2)

4. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, name the regulating federal agency as required by NRS 233B.066(1)(i).

LCB File No.
Information Statement per NRS 233B.066
Page 2 of 2

Not applicable.

5. If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions as required by NRS 233B.066(1)(j).

Not applicable

6. If the regulation establishes a new fee or increases an existing fee, a statement indicating the total annual amount the agency expects to collect and the manner in which the money will be used as required by NRS 233B.066(1)(k).

Not applicable

I hereby endorse this Statement prepared
by the Chief of the Division of
Emergency Management pursuant to
NRS 233B.0613(1).

Dated this 20th day of March, 2020:


Justin Luna
Nevada Division of Emergency Management

Dated this 20th day of March, 2020:


Steve Sisolak, Governor
State of Nevada

**EMERGENCY REGULATION OF THE
DEPARTMENT OF PUBLIC SAFETY
DIVISION OF EMERGENCY MANAGEMENT**

March 20, 2020

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

Filing of an Emergency Administrative Regulation

AUTHORITY: NRS 414.060; NRS 414.070; Declaration of Emergency, Directive 003, March 20, 2020

A REGULATION relating to the Governor's March 12, 2020, Declaration of Emergency and related directives.

Explanation:

Due to the recent COVID-19 pandemic, the Governor, through the March 12, 2020 Declaration of Emergency and related directives, has ordered non-essential businesses to cease operations and has ordered essential businesses to follow additional guidelines to reduce the likelihood of transmitting COVID-19. This regulation will provide clarity as to which businesses are considered essential and which are considered non-essential during the existing COVID-19 pandemic. Further, essential businesses will have clear direction on operational expectations while continuing to provide goods and services to Nevada communities.

Section 1. **Chapter 414 of the NAC is hereby amended by adding thereto a new section to read as follows:**

NAC 414.XXX Businesses During Times of Declared Emergency (NRS 414.060, 414.070)

1. *"Essential Licensed Business" means a business operating in the state of Nevada that provides:*

(a) Essential healthcare operations, including, hospitals, medical offices, clinics, healthcare suppliers, home health care providers, mental health providers, dentists, orthodontists, oral surgeons, physical or occupational therapists, speech therapists and pathologists, chiropractors, licensed homeopathic medical providers, biomedical facilities, non-governmental

emergency service providers, optometrist and ophthalmologist offices, offices for certified nurse-midwives, veterinary services, and pharmaceuticals;

(b) Essential infrastructure operations, including construction, agriculture, farming, housing construction, airport operations, water, sewer, gas, electrical, mining, public transportation, solid waste collection and removal, recycling services, energy, including solar, internet, telecommunication services, manufacturing, and food processing;

(c) Grocery stores, including, supermarkets, food banks, food pantries, soup kitchens, convenience stores, farm and produce stands, and other retail sale of canned and dry goods, fresh produce, frozen foods, fresh meats, fish, and poultry;

(d) Retailers that sell food items and other household consumer products for cleaning and personal care to promote safety, sanitation, and essential operations of households;

(e) Businesses that ship or deliver goods directly to residences;

(g) Businesses that sell or rent medical supplies;

(h) Licensed Cannabis entities, including dispensaries, producers, and cultivators;

(i) Pet supply stores;

(j) Animal shelters;

(k) Banks and Financial Institutions;

(l) Pawnbrokers as defined in NRS 646.010;

(m) Restaurants and food establishments that offer meals on a take-out, curbside pickup, delivery, or drive-through basis only and food distribution pods to provide meals to students;

(n) Businesses and other entities that provide food, shelter, or social services for economically disadvantaged individuals, vulnerable populations, or victims of crime;

(o) Hardware Stores, including home improvement centers;

(p) Auto-supply, automobile repair facilities, and tire shops;

- (q) Laundromats and Dry Cleaners;*
- (r) Warehouse and Storage facilities;*
- (s) Transportation services, including taxicabs and rideshare services;*
- (t) Mail and shipping services, including PO Boxes;*
- (u) Businesses that supply products necessary for people to work from home on a curbside pickup or delivery to consumer basis only;*
- (v) Plumbers, electricians, exterminators, home security, and other service providers who provide services necessary to maintain the safety, sanitation, and essential operations of residences or businesses;*
- (w) Professional or technical services including legal, accounting, tax, payroll, real estate, and property management services;*
- (x) Child care facilities;*
- (y) Residential facilities and shelters for seniors, adults, and children, including retirement homes and assisted living facilities;*
- (z) Newspapers, television, radio, and other media services;*
- (aa) Hotels, motels, or short-term rentals, RV Parks, campgrounds, dormitories, and commercial lodging; and*
- (bb) Gas Stations, with or without attached convenience store.*

2. *“Non-Essential Business” means a business operating in Nevada that provides:*

(a) Recreational activities, including, but not limited to, recreation and community centers, sporting event venues, fitness facilities, gyms, clubhouses, racetracks, zoos, aquariums, golf and country clubhouses not to include golf activities outside clubhouse settings, bowling centers, cinemas and movie theaters, skiing facilities, theme parks, and amusement parks;

- (b) Brothels and houses of prostitution;*
- (c) Live entertainment venues, including theaters and adult entertainment establishments;*
- (d) Retail facilities that are not specified in Section 1 as essential businesses and are
unable to sell goods through shipping or direct delivery to consumers;*
- (e) Restaurant services providing in-house dining only;*
- (f) Nightclubs;*
- (g) Pubs, wineries, bars, and breweries;*
- (h) Gaming machines and gaming operations;*
- (i) Aesthetic services and schools of aesthetics services, including, hair dressing,
barbering, cosmetology services, nail salons, tanning and air brush salons, massage (not provided
by a physical therapist), waxing, diet and weight loss centers, and other cosmetic services;*
- (j) Spas;*
- (k) Sporting good and hobby shops; and*
- (l) Museums and art galleries.*

3. All Essential Licensed businesses must:

- (a) Comply with social distancing guidance issued by the Centers for Disease Control and
Prevention document entitled "Implementation of Mitigation Strategies for Communities with
Local COVID-19 Transmission," the Governor's Medical Advisory Team, a Governor's Directive,
any other Nevada state regulatory agency or board; and*
- (b) Cease operating and shut down all gaming machines, devices, tables, games, and any
equipment related to gaming activity, excluding licensed online gaming or mobile wagering
operations; and*
- (c) Cease all door-to-door solicitation, even if the good or service offered for sale is*

considered essential, excluding the delivery of a good or service that has been ordered by a resident or business; and

(d) In addition to the general requirement described in 3(a), (b), & (c), specific Essential Businesses described in NAC 414.XXX(1) must comply with the following additional requirements:

(1) Essential Businesses described in NAC 414.XXX(1)(b) must:

(I) Maintain strict social distancing practices to facilitate a minimum of six feet of separation between workers and adopt policies and practices that ensure minimum contact between the workforce and the general public. Social distancing restrictions shall not be construed to supersede any safety practices imposed on the industry by state or federal law.

(II) All applicable COVID-19 risk mitigation policies and any precautionary measures and guidance that shall be promulgated by Nevada Department of Business and Industry and any other state regulatory body.

(2) Essential businesses described in NAC 414.XXX(1)(c) must adopt COVID-19 risk mitigation policies, including whenever possible adopting contactless payment systems; requiring food workers to strictly abide by all applicable hygiene guidelines including handwashing and glove requirements; following United States Centers for Disease Control and Prevention sanitization recommendations, including disinfecting surfaces routinely and at frequent intervals; and prohibiting self-serve food and beverage, such as condiments and samples. Contactless payment systems are credit cards and debit cards, key fobs, smart cards, or other devices, including smartphones and other mobile devices, that use radio-frequency identification (RFID) or near field communication (NFC, e.g. Samsung Pay, Apple Pay, Google Pay, Fitbit Pay, or any bank mobile application that supports contactless) for making secure payments, as opposed to the direct transfer of cash between buyer and seller.

(3) Essential businesses described in NAC 414.XXX(1)(g) must ensure that rental medical equipment and supplies are cleaned and sanitized in accordance with the United States Centers for Disease Control and Prevention sanitization recommendations.

(4) Essential businesses described in NAC 414.XXX(1)(h) must:

(I) Ensure sales to consumers are by direct delivery under guidance that shall be issued by the Department of Taxation in conjunction with the Cannabis Compliance Board.

(II) Ensure that producers and cultivators strictly adhere to the social distancing protocol.

(5) Essential businesses described in NAC 414.XXX(1)(m) must adopt COVID-19 risk mitigation policies, including whenever possible adopting contactless payment systems; requiring food workers to strictly abide by all applicable hygiene guidelines including handwashing and glove requirements; following United States Centers for Disease Control and Prevention sanitization recommendations, including disinfecting surfaces routinely and at frequent intervals; and prohibiting self-serve food and beverage, including as condiments shared between unrelated customers and samples not distributed by a food worker. Contactless payment systems are credit cards and debit cards, key fobs, smart cards, or other devices, including smartphones and other mobile devices, that use radio-frequency identification (RFID) or near field communication (NFC, e.g. Samsung Pay, Apple Pay, Google Pay, Fitbit Pay, or any bank mobile application that supports contactless) for making secure payments, as opposed to the direct transfer of cash between buyer and seller.

(6) Essential businesses described in NAC 414.XXX(1)(s) may only serve one customer or group of customers that originate at the same address at the same time or are members of the same household. "Pooling" customers is prohibited.

(7) Essential businesses described in NAC 414.XXX(1)(x) must conform to any further regulation and guidelines promulgated by the Nevada Department of Health and Human services.

(e) In addition to the general requirement described in 3(a), (b), & (c), the following Non-Essential Businesses described in Section 2 are subject to the following restrictions:

(1) Zoos and aquariums, referenced in 2(a), must close to the public but may maintain essential operations by staff members for the health and safety of animals.

(2) Pubs, wineries, bars, and breweries, as referenced in 2(g), may provide meals on a take-out, curbside pickup, delivery, or drive-through basis.

(3) Gaming machines and gaming operations, as referenced in 2(h), do not include online gaming or mobile wagering operations.

EXHIBIT E



Stay at Home Order still in Effect. For the latest info, visit nvhealthresponse.nv.gov.



Nevada Governor Steve Sisolak



DECLARATION OF EMERGENCY DIRECTIVE 016

WHEREAS, on March 12, 2020, I, Steve Sisolak, Governor of the State of Nevada issued a Declaration of Emergency to facilitate the State's response to the COVID-19 pandemic; and

WHEREAS, on March 13, 2020, Donald J. Trump, President of the United States declared a nationwide emergency pursuant to Sec. 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207 (the "Stafford Act"); and

WHEREAS, since the March 12, 2020 Declaration of Emergency, I have issued fifteen Directives pursuant to that order to provide for the safety, wellbeing, and public health of Nevadans and the administration of the State of Nevada; and

WHEREAS, the ability of the novel coronavirus that causes COVID-19 to survive on surfaces for indeterminate periods of time renders some property unusable and contributes to contamination, damage, and property loss; and

WHEREAS, the propensity of the COVID-19 disease to spread via interpersonal contact precipitated the widespread closure of certain businesses and the imposition of limitations on other businesses; and

WHEREAS, on April 21, 2020, the National Governors Association issued guidance for a staged reopening that protects the public's health while laying a strong foundation for long-term economic recovery; and

WHEREAS, Nevada Revised Statutes 414.060 outlines powers and duties delegated to the Governor during the existence of a state of emergency, including without limitation, directing and controlling the conduct of the general public and the movement and cessation of movement of pedestrians and vehicular traffic during, before and after exercises or an emergency or disaster, public meetings or gatherings; and

WHEREAS, NRS 414.070 outlines additional powers delegated to the Governor during the existence of a state of emergency, including without limitation, enforcing all laws and regulations relating to emergency management and assuming direct operational control of any or all forces, including, without limitation, volunteers and auxiliary staff for emergency management in the State; providing for and compelling the evacuation of all or part of the population from any stricken or threatened area or areas within the State and to take such steps as are necessary for the receipt and care of those persons; and performing and exercising such other functions, powers and duties as are necessary to promote and secure the safety and protection of the civilian population; and

WHEREAS, Article 5, Section 1 of the Nevada Constitution provides: "The supreme executive power of this State, shall be vested in a Chief Magistrate who shall be Governor of the State of Nevada;" and

NOW, THEREFORE, by the authority vested in me as Governor by the Constitution and the laws of the State of Nevada and the United States, and pursuant to the March 12, 2020, Emergency Declaration,

IT IS HEREBY ORDERED THAT:

SECTION 1:	To the extent this Directive conflicts with earlier Directives or regulations promulgated pursuant to the March 12, 2020 Declaration of Emergency, the provisions of this Directive shall prevail.
	Effective May 1, 2020, non-essential retail businesses identified in Directive 003 Emergency Regulation NAC 414.XXX(2)(d), NAC 414.XXX(2)(g), and NAC 414.XXX(2)(k)

SECTION 2:	may resume retail sales on a curbside or home delivery basis only. Businesses reopening under this provision must adopt measures promulgated by the Nevada State Occupational Safety and Health Administration to minimize the risk of spread of COVID-19 including social distancing and sanitation measures, and abide by all other guidance promulgated pursuant to this Directive. To the extent practicable, businesses must provide services in a manner disallowing the formation of queues whereby persons congregate in a manner that violates the social distancing guidelines above. All businesses are encouraged to permit their employees to work from home to the maximum extent practicable.
SECTION 3:	Section 5 of Directive 003 is hereby amended. Effective May 1, 2020, licensed cannabis dispensaries may engage in retail sales on a curbside pickup or home delivery basis pursuant to guidance that shall be issued by the Department of Taxation in conjunction with the Cannabis Compliance Board, and subject to all local ordinances or municipal code. Retail cannabis dispensaries must adopt measures promulgated by Nevada State Occupational Safety and Health Administration (OSHA) to minimize the risk of spread of COVID-19 including social distancing and sanitation measures. All retail cannabis dispensaries are encouraged to permit their employees to work from home to the maximum extent practicable.
SECTION 4:	Directive 003, as amended herein is hereby extended until May 15, 2020, unless specifically terminated or extended by subsequent Directive.
SECTION 5:	Directive 004 is hereby amended. Effective May 1, 2020, Department of Motor Vehicle (DMV) expiration dates referenced in Directive 004 for all commercial and commercial licenses, non-commercial and commercial instruction permits, identification cards, Driver Authorization Cards (DAC), vehicle or off-highway vehicle registrations, motor carrier active and temporary credentials, or any other credentials issued by the DMV as required by state law that have expired or will expire during DMV public office closures due to the COVID-19 State of Emergency shall be extended for a period of 90 days from the date DMV offices reopen to the public. Directive 004 is further amended to provide that the expiration date on said licenses, permits, cards, and other DMV credentials expiring within 30 days after DMV offices reopen to the public shall be extended for an additional 60 days from the date DMV offices reopen to the public. Where possible, DMV customers are strongly encouraged to renew said licenses, permits, cards and other DMV credentials through DMV's website, portal, or kiosks.
SECTION 6:	Directive 006 is hereby extended from April 16, 2020 to May 15, 2020, unless specifically terminated or renewed by subsequent Directive.
SECTION 7:	Directive 007 is hereby extended until May 15, 2020, unless specifically terminated or extended by subsequent Directive.
SECTION 8:	Directive 010 is hereby extended until May 15, 2020. Directive 010 is hereby modified to the extent that individuals may leave their residences for the additional purpose of picking up goods at non-essential retail businesses offering curbside delivery pursuant to Section 2 of this Directive. Recognizing that COVID-19 is still present in Nevada and highly contagious, Nevadans are advised that they are safer at home and should avoid interpersonal contact with persons not residing in their households to the extent practicable. To reduce the spread of COVID-19 via respiratory transmission, the Nevada public should utilize face coverings in public spaces.
SECTION 9:	Section 2 of Directive 013 is hereby amended. Golf, tennis, and pickleball activities may resume on May 1, 2020 if they are able to operate in a manner that is consistent with social distancing guidelines, can do so without violating the provisions set forth in Directive 007, adopt sanitation measures intended to reduce the spread of COVID- 19, and abide by all guidance promulgated pursuant to this Directive. This section shall not be construed to permit the reopening of businesses defined in Emergency Regulation NAC 414.XXX:(2)(a) through NAC 414.XXX:(2)Q), with the exception of retail businesses classified under NAC 414.:XX:X(2)(d), NAC 414.XXX:(2)(g), and NAC 414.XXX:(2)(k).
SECTION 10:	Section 4 of Directive 013 is hereby amended. Effective May 1, 2020, places of worship may offer services on an in-car or drive-in basis, if these services allow occupants to remain in their vehicles, can be held in a manner consistent with social distancing guidelines, implement precautions intended to reduce the spread of COVID-19, and abide by other guidance promulgated pursuant to this Directive. The prohibition of ten or more persons for indoor services shall remain in effect for the duration that this Directive shall be in effect, unless specifically terminated or renewed by subsequent order.
SECTION 11:	All other provisions of Directive 013 shall be extended to May 15, 2020, unless specifically terminated or renewed by subsequent order.
	The Nevada State Occupational Safety and Health Ad.ministration (OSHA) shall

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SECTION 12:	continue to ensure that businesses reopened pursuant to this Directive or otherwise operating during the state of emergency provide adequate protections to their workers and adopt sanitation protocols that minimize the risk of spread of COVID-19 among their workforce.
SECTION 13:	Gaming operations, not including licensed online gaming or mobile wagering operations, shall remain closed until the Gaming Control Board determines that operations may safely resume. The Gaming Control Board shall promulgate guidance for a phased and incremental resumption of gaming operations, as well as criteria regarding when operations may resume.
SECTION 14:	Previous Directives not specifically referenced herein remain in effect for the duration that this Directive shall remain in effect, unless specifically terminated or extended renewed by subsequent Directive.
SECTION 15:	This Directive shall remain in effect until May 15, 2020, unless extended or terminated by a subsequent Directive promulgated pursuant to the March 12, 2020 Declaration of Emergency to facilitate the State's response to the COVID-19 pandemic.
SECTION 16:	No provision of this Directive or any previously issued Directive shall be construed to impose a termination date on the Declaration of Emergency for COVID-19 issued on March 12, 2020. The Declaration of Emergency shall remain in effect until the Chief Medical Officer notifies the Governor that the health event has been abated and the Governor issues an order terminating the emergency.

Declaration of Emergency Directive 16 Orders



IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Nevada to be affixed at the State Capitol in Carson City, this 29th day of April, in the year two thousand twenty.


Governor of the State of Nevada


Secretary of State


Deputy Secretary of State

Governor Sisolak Guidance Directive 016
Governor Sisolak Guidance Directive 016 – Best Practices for Golf Courses
Curbside Commerce Safety Protocol

- Executive
- Governor
 - Lt. Governor
 - Secretary of State
 - Attorney General
 - State Treasurer
 - State Controller

- Alerts
- Amber Alerts
 - Consumer Affairs
 - Weather Alerts
 - 211- Service Information
 - 511 - Road Conditions

- Legislature
- Legislature Website
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**NEVADA
HEALTH
RESPONSE**

Gov. Sisolak Guidance: Directive 016

April 29, 2020

Understanding Governor Sisolak's latest directive extending previous directives and making certain changes

Since the start of the COVID-19 crisis, Governor Sisolak has issued a series of orders intended to reduce interactions, minimize the risk of infection, and slow the rate of spread by limiting opportunities for interpersonal contact. This Directive extends the deadlines for many previous directives and loosens restrictions on certain activities. Below is some general guidance on what this new directive means and how it applies to you.

What is new in this directive?: The new Directive is the first step in the Nevada United: Roadmap to Recovery plan before the State officially enters Phase 1. It loosens some restrictions that were previously in place:

- All retail businesses previously identified as non-essential will be allowed to operate under curbside commerce models, similar to curbside pickup currently allowed for restaurants and eateries
 - This now includes curbside sales for retail cannabis dispensaries
- Golf, tennis, and pickleball activities may resume as long as they are they comply with social distancing, sanitation, and other requirements intended to prevent the spread of COVID-19
- Drive-up religious services are now permitted, as long as congregants stay in a vehicle and maintain at least 6 feet of social distance from people not in their household

Does this end the Stay at Home order?: No. This Directive extends the Stay at Home orders from previous directives to May 15, 2020, meaning Nevadans should stay at home except for necessary outings like going to work as an essential employee, buying groceries, picking up food or retail items from curbside pickup, or attending medical appointments.

Nevadans who wish to enjoy the great outdoors can still do so, including walking in your neighborhood or in a nearby park. Individuals should practice good social

distancing of at least 6 feet from other members of the public and avoid touching any outdoor equipment (like playground equipment) where the virus may be lurking. Congregating outdoors without maintaining safe social distancing is not permitted. We strongly encourage Nevadans to wear masks in public whenever possible.

What about gatherings?: The ban on gatherings of 10 more people in any indoor or outdoor public area still stands.

What does this mean for my leisure activities?: It means that some publicly accessible sporting and recreational venues and activities—golf, tennis, and pickleball—that were paused by [Directive 013](#) can reopen as long as they adhere to the all of the guidelines and conditions outlined by the previous directives, starting with [Directive 003](#) issued on March 20, 2020 and ending with today's [Directive 016](#), which loosens some of the restriction. All other activities referenced in Directive 013 are still prohibited for now.

It says publicly accessible above; can private golf and tennis clubs reopen?: Yes, as long as they follow the public health guidelines, they can absolutely reopen. However, clubhouses, bars, and amenities, like gyms, must remain closed.

What are some examples of best practices?: While golfing, don't share a golf cart with people outside your household. Be mindful of and try to avoid exposure to shared equipment or hard surfaces like flagsticks, bunker rakes, scorecards, etc. Specific guidance for golf courses can be found [HERE](#).

What if I would like to attend a faith based service?: During challenging times many people have relied on their faith. Places of worship have been encouraged to hold services via alternative means, like videos, streaming, or broadcast. The people that are performing these services should, of course, do so in a manner that they are practicing social distancing and are encouraged to wear facial coverings. Remember, the best thing we can do right now is to Stay Home for Nevada. Because we are trying to get everyone to stay home, and we have prohibited all gatherings over ten people, this is not yet the time to get people together to celebrate their faith. Nobody should be physically attending in-person, indoor worship services with ten or more people. However, drive-in services are now permitted, as long as congregants stay in a vehicle and maintain at least 6 feet of social distance from people not in their household.

What does this mean for certain businesses?: It means non-essential retailers that could not operate at all under previous directives can open for curbside, as well as home delivery services. Non-essential retailers must comply with Nevada State Occupational Safety and Health Administration (NV OSHA) measures to protect employees and customers. Retailers also need to comply with social distancing guidance from the [CDC](#), the Governor's Office, and any applicable Nevada state regulatory agency or board. For

a reminder of which businesses are considered non-essential, please see guidance [HERE](#), and for more information on how to safely operate curbside services, refer to this [GUIDANCE](#).

Additionally, retail cannabis dispensaries can now offer curbside sales, in addition to delivery services previously allowed under [Directive 003](#). Licensed cannabis retailers must continue to comply with all social distancing guidance from previous directives and NV OSHA guidance for protecting employees and customers. These retailers should also comply with any related guidance from the Cannabis Compliance Board.

Gaming operations are still closed until further notice.

Are smoke shops, breweries, and wine, beer, and liquor stores open?: Yes; non-essential retailers licensed to sell tobacco or alcohol on a take-away basis are now allowed to open for curbside or home delivery services only. Those retailers must comply with NV OSHA standards, local laws and regulations, and applicable licensing provisions.

Can I buy a new car, refrigerator, or couch?: This Directive extends the closure of showrooms to May 15, 2020. Those businesses have all been deemed essential, so all of the items that they sell can still be purchased. However, you'll have to use different forms of purchase, like shipping, curbside pickup, or home delivery.

I'm thinking about buying a new house. Can I see it?: Yes...but you'll have to look at pictures, take a virtual tour, and handle all of the paperwork (whenever possible) without seeing anyone in person. For now, "Open Houses" and in-person showings of single and multi-family homes that are occupied by renters are prohibited. You may still arrange to view an unoccupied house on an appointment basis.

Can I call my barber or stylist to come over?: No, not while this directive is in place. Not only does it put you both at risk of spreading the disease to one another and those that you're staying at home with, it could also cost them their license!

What else does this directive do?: [Directive 016](#) also extends other items covered in previous directives, like the changes to public meetings, and extension of legal deadlines and professional licensing requirements.

Additionally, for any drivers' license or other card issued by the Department of Motor Vehicles that expires during the time that the DMV is closed to the public, the expiration date is extended for 90 days after the day the DMV offices reopen to the public.

If I'm providing an essential good or service, what should I do?: Directives affecting essential businesses ([Directive 003](#) and [Directive 013](#)) haven't changed, except that

those directives are now extended through May 15, 2020. Essential businesses that are still providing goods or services need to make sure that foot traffic is kept to a minimum and ensure that social distancing standards are maintained. When going to these places, people need to be spaced out and as far away from each other as possible, especially when a line is forming. Those engaging in curbside commerce should review the Curbside Commerce Safety Protocols.

I've heard of essential businesses remaining open that aren't protecting their employees. What are we doing to protect those brave Nevadans?: The Nevada Occupational Safety and Health Administration, or OSHA for short, is ensuring that all open businesses are keeping their employees safe, adhering to proper social distancing, and keeping their workplaces clean. Call NV OSHA if you'd like to alert them of any unsafe conditions.

Please note, additional guidance on all of Governor Sisolak's emergency directives can be found [HERE](#).